

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Thursday, January 8, 1998

No. 35,723

Market Turmoil Raises Fears of Debt Moratorium

By Michael Richardson
International Herald Tribune

SINGAPORE — Currencies in Indonesia, Thailand, Malaysia and the Philippines tumbled to record lows Wednesday, bringing closer the specter of large-scale corporate defaults and layoffs, and dragging down stock markets from Southeast Asia to Europe and the Americas.

The currencies of the four countries have now hit record lows on each of the trading days of the new year, with no end in sight, despite signals from financial officials that they would intervene to protect their currencies.

Analysts said that the downward spiral in currency values was undermining confidence in the ability of governments to restore stability.

"We have seen a major wave of foreign capital flight from Southeast Asia," said Simon Ogun, chief economist for Asia in the Hong Kong office of SBC Warburg Dillon Read. "Now we are seeing domestic capital flight. People just don't trust their policy-makers in sorting this mess out."

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

But other analysts said that as plunging local currencies made it increasingly costly to repay dollar loans, companies were simply refusing to

Some bankers and economists said that if the downward currency spiral continued, Indonesia and Thailand — the region's two most heavily indebted nations — might be forced to declare a moratorium on repaying private-sector debts, which total more than \$150 billion, to save many companies from going bust. Much of the money is due to be repaid this year.

The Dollar			
	New York	Wednesday 4 P.M.	previous close
DM	1.8258	1.8323	
Pound	1.6258	1.625	
Yen	131.855	133.625	
FF	6.104	6.1303	

The Dow			
	Wednesday close	previous close	
	7902.27	7908.25	
S&P 500			
	Wednesday 4 P.M.	previous close	
change	964.00	966.58	

Asian Crisis Reaches Out To Stagger Hong Kong

By Keith B. Richburg
Washington Post Service

HONG KONG — Southeast Asia's collapsing currencies and stock markets combined Wednesday to send Hong Kong share prices plunging, raising fears that Hong Kong could become the next domino to topple.

Few analysts here expected any letup from the huge selling spree as long as the region's currencies continued to crumble. This renewed doubts about whether Hong Kong would long be able to defend its currency's fixed exchange rate to the U.S. dollar, a peg that has allowed the territory to remain a relative bastion of stability for investors.

The Hang Seng index plummeted through the psychologically important 10,000-point barrier, ending the day at 9,538.61 for a loss of nearly 6 percent. The biggest losers were property companies, and the analysts said the huge drop was due mainly to panicked selling by big U.S. brokerage houses.

The Hong Kong drop followed similar declines in Singapore and Taiwan. The three had been seen as the three cash-rich economies that had successfully resisted the regional meltdown.

But as the manager of one local hedge fund put it Wednesday, "The second phase of the economic crisis in Asia is now unfolding."

Unlike a few months ago, when the Hong Kong index dropped below 10,000, analysts this time do not expect a quick rebound.

They said the huge drop Wednesday

Beginning today, the Herald Tribune is adding a weekly technology page to its lineup of regular features. Entitled TribTech, the new page focuses and broadens the paper's daily coverage of significant technological innovations.

TribTech has a demanding brief: to monitor and explain the advances that measure technological achievement. Fresh ideas, new applications, hot products — if they make a difference to business strategy, government policy or the way you spend your free time.

TribTech will tell you about them. In addition, the page will include a weekly listing of the major technology stock indexes around the world. It will also index the important technology articles that have appeared in the paper in the previous week.

In the new lineup of the IHT's regular weekly features, the Health/Science page will appear on Mondays, along with the normal expanded Sports section.

The first TribTech page appears today, on Page 7.

Iranian President Sends U.S. Message

In Tone Unheard in 18 Years, Khatami Alludes to Better Ties

The Associated Press

TEHRAN — President Mohammed Khatami, in his first interview with a U.S. television network, is sending a message to Americans that Iran wants better relations after nearly two decades of hostility.

Aides who sat in on the taped interview, which was to be broadcast Wednesday night by CNN, said Mr. Khatami praised the American people several times and said citizens of the two nations should be brought closer together.

In an excerpt broadcast earlier Wednesday night by CNN, Mr. Khatami alluded to the possibility of improved relations.

"Firstly," he said, "nothing should prevent dialogue and understanding between two nations. Especially between their scholars and thinkers. Right now, I recommend the exchange of professors, writers, scholars artists journalists and tourists."

"A large number of educated and noble Iranians now reside in the United States as representatives of the Iranian nation," he continued.

"This shows there is no hostility between the two nations. But the dialogues between civilizations and nations are different from political relations. In regard to political relations, we have to consider the factors which led to the severance of relations."

"If some day another situation is to emerge, we must definitely consider the roots and relevant factors and try to eliminate them."

The aides who sat in on the taping said he also criticized U.S. leaders, saying they were to blame for the rift that followed the 1979 revolution that toppled the shah.

Other sources said Mr. Khatami's remarks were most notable for the tone and rhetoric he used, which they described as different from anything heard from an Iranian leader in 18 years.

The interview with CNN was the latest step by Mr. Khatami, a cleric who won a stunning victory in May, to seek rapprochement with the West.

At an Islamic summit meeting in Tehran in December, he said that the Muslim world needed to learn from Western civilization, especially its scientific and technological achievements.

He signaled this change in a news conference last month, when he called for "a thoughtful dialogue." He had added: "At the appropriate time, I will present my words to the American people."

See IRAN, Page 6

U.S. Reviewing Sanctions Policy

Reuters

WASHINGTON — The State Department is starting a formal review of its sanctions policy, Stuart Eizenstat, undersecretary of state for economic affairs, said Wednesday.

The State Department hopes to find ways to make sanctions more effective in foreign policy, he said in a speech at the National Press Club.

Threatened or imposed U.S. sanctions against companies that do business in Cuba and Iran have been a major source of tension between the United States, its European allies and Russia.

Sanctions loom in a \$2 billion gas deal with Iran by the French energy giant Total SA.

Mr. Eizenstat said that legally mandated sanctions relating to arms transfers and nuclear proliferation would not be part of the review.

South Africans To Try Botha For Thwarting Truth Panel

By Lynne Duke
Washington Post Service

JOHANNESBURG — Pieter Botha, a former president of South Africa and one of the most hard-line leaders during the apartheid era, will be prosecuted for refusing to appear before the nation's Truth Commission and trying to hinder its work, an attorney general announced Wednesday.

The case marks the first time an apartheid-era head of state will be criminally prosecuted and the first time the Truth and Reconciliation Commission has brought charges against an unwilling witness.

The octogenarian former president, who is remembered bitterly by blacks here as the leader of the "total strategy" against them in the 1980s, has called the commission a "circus" and has defied a series of subpoenas to appear before it.

The Western Cape attorney general, Frank Kahn, said in Cape Town that the decision to prosecute "has weighed heavily on me."

"He is almost 82 years of age," Mr. Kahn said, "and no attorney general in any civilized country lightly decides to prosecute a person of this age, especially given Mr. Botha's medical history."

But after examining hundreds of pages of evidence submitted to him by both sides in the case, Mr. Kahn said he decided "that a prosecution in this matter is warranted — not only in law, but in the public interest."

Mr. Botha's scheduled court appearance on Jan. 23 in the coastal town of George could become the first act in a political trial like none other seen in this country, whose new leaders have tried to foster a spirit of racial reconciliation but have found Mr. Botha an unwilling partner.

Established after South Africa's first all-race election in 1994, the Truth Commission views him as a key witness on the human-rights abuses committed by security forces during his tenure as defense minister, prime minister and president in the 1970s and 1980s.

Under his leadership, the white minority-rule government threw its full military weight against opponents of racial separation at home and abroad in a campaign of covert killing and overt repression that evoked international condemnation.

The case will probably go well beyond the technicalities of what, in the United States, would be called contempt of court.

A legal source close to the case said the charge sheet was 750 pages long and included scores of the same questions and allegations awaiting him at the Truth Commission, a non-prosecutorial body.

"All the questions that would have been put to him by the Truth Commission will be put to him again" if he faces a court, the legal source said. "If I had the choice, I'd rather be questioned by them than by the court."

Mr. Botha provided answers to those questions in writing late last year, but Dumisa Ntsebeza, the truth commission's charge of investigations, characterized the 1,700-page document as

See BOTHA, Page 6

Rome Killing Alarms Gay Community

Victim, a Volunteer Aide to the Pope, Is 19th in String of Slayings in '90s

By John Tagliabue
New York Times Service

ROME — It might have been just another murder in a country where violence is not rare, except that the one who died in an apparent encounter with a gay lover-turned-assailant was a Georgetown of His Holiness, one of a select group of laymen who receive dignitaries when they arrive at the Vatican for audiences with the Pope.

The killing has served to lay bare an underside of this Italian capital, where few public figures will admit they are gay and where the Catholic Church wields its enormous influence to sustain widespread censure of any form of homosexual activity.

Most of all, though, the killing focused attention on an unsettling string of

murders of gay men, usually in their homes, that the government and the police have been unable to stop.

Enrico Sini Luzi, 67, a descendant of minor nobility, was the 19th gay male murdered in Rome since 1990 and the third in the last year. Of the 18 previous murders, only 9 have been solved and of those none was committed by the same person.

Franco Grillini, president of the national gay rights group, Arcigay, said the group estimates that between 150 and 200 gay men are murdered each year in Italy. The figure may be higher since many Italian families seek to conceal the circumstances of the violent deaths of gay relatives.

"We are by now in the face of a real and true national emergency," said Mr. Grillini, 42, a psychologist, by phone

from the group's headquarters in Bologna.

In a statement, Arcigay called the deaths the result of "social violence generated by homophobia" and called on the government to take action.

Government intervention was "absolutely necessary," the statement said, "to end this wave of homicides and to begin seriously removing obstacles that prevent all homosexuals from living a peaceful life in full safety."

The body of Mr. Sini Luzi, clad only in underwear but with a cashmere scarf wrapped around the neck, was found in his apartment Monday.

Friends of Mr. Sini Luzi, who had a tobacco store in the Prati neighborhood of Rome until he retired about 10 years

ago, said he was a friendly, outgoing man.

"Why hasn't there been a greater outcry?" said Bill Schulz, executive director of Amnesty International USA. "That's the perfect question. With 80,000 people dead here, including mutilated babies, there's still been a lack of strong reaction from the international community."

Western powers, Mr. Schulz said, evidently fear that strong condemnations might risk destabilizing the situation in Algeria and furthering the spread of extremism. "Obviously we think that's a had miscalculation," he said.

Western condemnation, however, has clearly had little effect on Algeria. "The Algerians have rejected even the mildest comments as interference," said Robert Pelletreau, former U.S. assistant secretary of state for Near Eastern Affairs. "The Algerian government is very allergic to outside pressure."

"It's a very tough situation," Mr. Pelletreau said. "Any solution requires working with the Algerian government. But if you get the Algerian government against you from the beginning, you're

See ALGERIA, Page 6

Standing By While Algerian Horror Mounts

By Brian Knowlton
International Herald Tribune

WASHINGTON — The questions arise ever more insistently as the body count of Algerian horror mounts, the tally already higher than in many other conflicts.

Where is the international reaction? Where the thundering condemnations? Where the peacemakers, the conciliators? How can it be that the brutal

'Very Tough Situation' For the World to Help

rapes and killings of tens of thousands of Algerians have been so slow to touch the international psyche?

Officially, a growing list of countries has denounced the almost nightly killings. The toll since 1992, when the

government canceled a general election in which radical Islamists held a commanding lead, is believed to be 80,000.

A fresh wave of bloodshed has brought to more than 1,000 the number killed in the last two weeks alone, including 62 announced Wednesday by the security services in Algiers.

Privately, many governments can only express their frustration at trying to help, to work with, even to talk to, an inward-looking Algerian government that has rejected their efforts with curt fury, slamming the door in recent months on an initiative by the UN secretary-general, Kofi Annan.

See ALGERIA, Page 6

New on Thursdays: The Technology Page

Beginning today, the Herald Tribune is adding a weekly technology page to its lineup of regular features. Entitled TribTech, the new page focuses and broadens the paper's daily coverage of significant technological innovations.

TribTech has a demanding brief: to monitor and explain the advances that measure technological achievement. Fresh ideas, new applications, hot products — if they make a difference to business strategy, government policy or the way you spend your free time.

TribTech will tell you about them. In addition, the page will include a weekly listing of the major technology stock indexes around the world. It will also index the important technology articles that have appeared in the paper in the previous week.

In the new lineup of the IHT's regular weekly features, the Health/Science page will appear on Mondays, along with the normal expanded Sports section.

The first TribTech page appears today, on Page 7.

AGENDA

Yemeni Forces Attack Kidnappers

SAN'A, Yemen (AFP) — Yemeni security forces on Wednesday launched an assault against tribal gunmen who kidnapped three South Koreans on Monday about 100 miles from San'a, a security official said.

Diplomats at the South Korean embassy were unavailable for comment two days after the first kidnappings of the year in Yemen, where more than 100 foreigners have been seized over the past five years.

Nichols Escapes Death Sentence

Terry Nichols, convicted of conspiracy in the deadliest terrorist attack ever carried out on U.S. soil, escaped the death penalty for the Oklahoma City bombing Wednesday after a federal jury in Denver failed to agree.

The judge will decide the penalty himself. Under federal law, a death sentence can be imposed only by a jury. U.S. District Court Judge Richard Matsch gave attorneys until Feb. 9 to file motions regarding the sentencing, but set no date for it.

Mr. Nichols could still wind up on death row because he faces trial in Oklahoma on state charges. Page 3.

Plan to Clone Human

A Chicago scientist, G. Richard Seed, says that he has assembled a team of doctors that is prepared to clone a human being sometime before Congress bans the procedure, and that eight people have already volunteered to be cloned. Page 3.



Terry Nichols in custody.

See BOTHA, Page 6

See ALGERIA, Page 6

See IRAN, Page 6

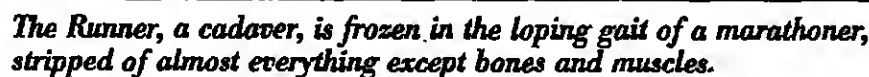
See BOTHA, Page 6

Newstand Prices	
Bahrain	1,000 BD Mails
Cyprus	C £1.00 Nigeria
Denmark	14.00 DKr Oman
Finland	12.00 FM Qatar
Gibraltar	£ 0.85 Rep. Ireland
Great Britain	£ 0.80 Saudi Arabia
Egypt	£ 5.50 S. Africa
Jordan	1,250 JD U.S. M.L. (Eur)
Kenya	K Sh. 100 U.S. M.L. (Eur)
Kuwait	700 Fils Zimbabwe

9 770294 805049

German Show Uses Corpses to Bring Alive the Body's Wonders

"I do not see this as a room full of corpses or as a hall of death," said Gunther von Hagens,



majority of visitors say the exhibition gave them a new appreciation of the human body. Many have even signed up as potential

he threaded his way through the packed crowd, he was surprised to find himself besieged by people wanting his autograph.

Dr. von Hagens argues that his exhibition gives people a new respect for the body. They can inspect the damage to a lung caused by

other specimens, but I wouldn't show them here because they would be misunderstood," he said.

Resort	Depth	L. Mts.	Plies.	Plies.	Snow	Last	Comments
Bernal	10	160	Good	Art	Pdcl	61	generally good, odd melt snow
Bonito	70	150	Good	Open	Pdcl	61	generally good, odd melt snow
Corinth	25	710	Good	Some	Pdcl	61	3000 ft. still open very good skiing
Courmayeur	25	70	Good	Closed	Pdcl	61	new snow improving conditions
Livigno	70	140	Good	Open	Pdcl	61	most lifts open, very good skiing
Selva	50	100	Good	Open	Pdcl	61	all lifts open
Switzerland							
Alpe d'Huez	35	75	Good	Open	Pdcl	61	great skiing on fresh snow
Switzerland							
Alpe d'Huez	35	100	Good	Open	Pdcl	61	good skiing in fresh snow open
Crans Montana	10	115	Good	Open	Pdcl	61	all on upper runs, lower sky
Devol	55	130	Good	Open	Pdcl	61	fully open; good skiing; new snow
Grindwies	30	80	Good	Closed	Var	61	13500 ft. open, upper slopes ok
Korntal	30	70	Good	Open	Pdcl	61	the upper level; new good
Murten	30	60	Fair	Hard	Var	61	good skiing in some places
Verbier	15	160	Good	Open	Pdcl	61	great skiing; More Port open lately
Wengen	30	85	Good	Open	Pdcl	61	some good skiing; OK in places
Zermatt	20	95	Good	Open	Pdcl	61	good skiing; upper runs open
U.S.							
Aspen	75	85	Good	Open	Pdcl	61	7477 feet and all lifts open
Breckenridge	85	85	Good	Open	Pdcl	61	75130 feet open and 2021 lifts
Crested Butte	85	85	Good	Open	Pdcl	61	7585 feet open and 1174 lifts
Keystone	70	85	Good	Open	Pdcl	61	some fresh snow, 8150 feet open
Mammoth	150	210	Good	Open	Pdcl	61	good skiing in fresh snow
Park City	80	125	Good	Art	Pdcl	61	good skiing available
Telluride	107	115	Good	Open	Pdcl	61	new snow; lifts and places open
Steamboat	70	85	Good	Open	Pdcl	61	new snow; 11074 lifts open
Winter Park	185	185	Good	Open	Pdcl	61	new snow; 11074 lifts open

U.S. DEPARTMENT OF JUSTICE

Europe

City	Tomorrow		Low W		High W	
	High	Low	High	Low	High	Low
Algeria	19/14	10/14	19/14	10/14	19/14	10/14
Amsterdam	7/14	4/14	13/15	9/14	13/15	9/14
Ankara	-1/11	-9/11	3/11	-9/11	3/11	-9/11
Antwerp	10/17	7/14	10/17	7/14	10/17	7/14
Birmingham	14/17	9/13	14/17	9/13	14/17	9/13
Bombay	64/23	52/28	64/23	52/28	64/23	52/28
Boston	42/28	37/28	42/28	37/28	42/28	37/28
Brexit	42/28	37/28	42/28	37/28	42/28	37/28
Buenos Aires	72/16	46/16	72/16	46/16	72/16	46/16
Calcutta	64/23	52/28	64/23	52/28	64/23	52/28
Chennai	64/23	52/28	64/23	52/28	64/23	52/28
Colombo	64/23	52/28	64/23	52/28	64/23	52/28
Concepcion	64/23	52/28	64/23	52/28	64/23	52/28
Coral Gables	64/23	52/28	64/23	52/28	64/23	52/28
Dublin	11/12	1/12	11/12	1/12	11/12	1/12
Edinburgh	11/12	1/12	11/12	1/12	11/12	1/12
Frankfurt	11/12	1/12	11/12	1/12	11/12	1/12
Geneva	11/12	1/12	11/12	1/12	11/12	1/12
Hamburg	11/12	1/12	11/12	1/12	11/12	1/12
Heidelberg	11/12	1/12	11/12	1/12	11/12	1/12
London	11/12	1/12	11/12	1/12	11/12	1/12
Madrid	11/12	1/12	11/12	1/12	11/12	1/12
Moscow	11/12	1/12	11/12	1/12	11/12	1/12
New York	11/12	1/12	11/12	1/12	11/12	1/12
Paris	11/12	1/12	11/12	1/12	11/12	1/12
Rome	11/12	1/12	11/12	1/12	11/12	1/12
San Francisco	11/12	1/12	11/12	1/12	11/12	1/12
Seattle	11/12	1/12	11/12	1/12	11/12	1/12
Stockholm	11/12	1/12	11/12	1/12	11/12	1/12
Toronto	11/12	1/12	11/12	1/12	11/12	1/12
Washington	11/12	1/12	11/12	1/12	11/12	1/12
Zurich	11/12	1/12	11/12	1/12	11/12	1/12

Forecast for Friday through Sunday, as provided by AccuWeather.

Asia

City	Today		Tomorrow		Low W		High W	
	High	Low	High	Low	High	Low	High	Low
Almaty	-3/28	-9/18	-1/21	-8/11	-1/21	-8/11	-1/21	-8/11
Bangkok	31/18	24/17	33/17	25/17	33/17	25/17	33/17	25/17
Bombay	32/18	27/17	34/17	28/17	34/17	28/17	34/17	28/17
Beijing	64/23	46/24	74/24	58/24	74/24	58/24	74/24	58/24
Bombay	72/16	46/16	72/16	46/16	72/16	46/16	72/16	46/16
Chennai	28/17	19/13	30/17	20/13	30/17	20/13	30/17	20/13
Colombo	28/17	19/13	30/17	20/13	30/17	20/13	30/17	20/13
Concepcion	28/17	19/13	30/17	20/13	30/17	20/13	30/17	20/13
Coral Gables	28/17	19/13	30/17	20/13	30/17	20/13	30/17	20/13
Dublin	28/17	19/13	30/17	20/13	30/17	20/13	30/17	20/13
Edinburgh	28/17	19/13	30/17	20/13	30/17	20/13	30/17	20/13
Frankfurt								

Herald INTERNATIONAL **Tribune**

U.S. DEPARTMENT OF JUSTICE

as, I would like to start receiving the International Herald Tribune.
☐ My check is enclosed (payable to the IHT)
 Charge my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
 For e-USA and Asian prices, credit cards will be charged in French Francs at current rates.
 Card No. _____ Exp. Date: _____
 Signature: _____
 For business orders, indicate your VAT No.: _____
 (BHT VAT Number 19/472022/1126)
 Mr/Ms/Ms Family Name: _____
 First Name: _____ Job Title: _____
 Mailing Address: _____
 City/Code: _____
 Country: _____
 Home Tel No.: _____ Business Tel No.: _____
 E-Mail Address: _____
☐ I get this copy of the IHT at: ☐ Work ☐ hotel ☐ airline ☐ other
☐ I do not wish to receive information from other carefully screened companies
 Mail or fax to: International Herald Tribune
EUROPE, MIDDLE EAST & AFRICA
 181 Ave. Charles de Gaulle 92521 Neuilly Cedex, France
 Fax: +33 1 41 43 92 10, fax: +33 1 41 43 93 61
THE AMERICAS
 850 Third Avenue, New York, N.Y. 10022-6275, USA
 Fax: +1 212 765 8785, fax: toll free 1-800-892-2884
ASIA
 7/7F Malaysian Bldg, 50 Gloucester Rd, Wanchai, Hong Kong
 Fax: +852 2922 1199, fax: +852 2922 1171
 E-Mail: sub@iht.com - Asia: sub@iht.com - Internet: www.ih.com
 Offer valid for new subscribers only.

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning **AND** save up to 60% off the newsstand price.

COUNTRY/CURRENCY		2 MONTHS NEW STAND RATE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	AFS	1 456		
BELGIUM/LUXEMB.	BEF	3 380	3 350	60%
DENMARK	DKM	2 200	2 150	24%
FINLAND	FIM	624	610	24%
FRANCE	FRF	520	510	60%
GERMANY	DEM	160	160	60%
GREAT BRITAIN	GBP	27	27	50%
HONG KONG	HKS	72	72	50%
ITALY	ITL	145,000	58,000	57%
JAPAN	YEN	26,000	12,500	53%
MALAYSIA	RM			
NETHERLANDS	FLG	195	195	60%
INDONESIA	IND	13,000	78	60%
SINGAPORE	S\$	161	160	50%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SKR		350	50%
SWITZERLAND	CHF	160	96	60%
			49	50%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR AGENT

Printed by Newsfax International, London. Registered as a newspaper at the post office.

Book: Escaped

Artist Says R

Inspector Spaced

Alsonian Dr

AMERICAN TOPICS

Challenge to Old W

THE AMERICAS

Nichols Escapes Death Sentence in Bombing

Compiled by Our Staff From Dispatches

DENVER — Terry Nichols, convicted of conspiracy in the worst terrorist attack ever carried out on U.S. soil, escaped the death penalty for the Oklahoma City bombing after the jury failed to agree Wednesday on a sentence.

The judge dismissed the jury and will decide the penalty himself. Under federal law, a death sentence can be imposed only by a jury. U.S. District Court Judge Richard Matsch gave attorneys until Feb. 9 to file motions regarding the sentencing, but set no date for it.

"We're pleased," said Michael Tigar, a defense attorney. Others were seriously disappointed.

"It's a sad day in America today. We let our people down," a sobbing Darlene Welch said at a federal center in Oklahoma City, where victims could watch the Denver trial by closed-circuit television.

"I think we have a serious problem with our justice system that a man can kill 168 people and still live."

Ms. Welch's 4-year-old niece, Ashley Eckles, was killed in the April 19, 1995, bombing. Mr. Nichols's former army buddy, Timothy McVeigh, was given a death sentence by a jury after he was convicted in June of murder, conspiracy and use of a truck bomb.

Mr. Nichols was convicted Dec. 23 of conspiracy and eight counts of involuntary manslaughter for the bombing. He was acquitted of first-degree murder and use of a truck bomb.

He could still wind up on death row. Oklahoma prosecutors have promised to press for a death sentence when they bring him to trial on state charges.

The federal jury had three options: a death sentence, prison for life without parole, or sending the case to the judge.

Late Tuesday, at the end of the second

day of deliberations, it was clear to court observers that the jurors had grown weary. At least two wiped away tears as they listened to the judge.

Judge Matsch told the jurors that they had done their job.

"I do not want you to feel that you have in any way failed to meet your responsibility," he said.

Mr. Nichols sat expressionless, but smiled and hugged his co-counsel after the jury left the room.

"I guess that's what we hoped and prayed for," said Mr. Nichols's sister, Suzanne McDonnell.

Mr. Nichols, 42, had an alibi for the day of the attack. But evidence showed he had robbed a gun collector to finance the plot, stole and hid ingredients for the two-ton bomb and helped Mr. McVeigh hide a getaway car in Oklahoma City.

Mr. McVeigh drove to Oklahoma City and set off the truck bomb in front

of the Alfred P. Murrah federal office building. Mr. Nichols was at home in Herington, Kansas, at the time.

Judge Matsch had promised earlier that he would issue a penalty of less than life in prison if jurors put the decision in his hands. But analysts said they expected a sentence of so many years in prison that Mr. Nichols would never go free.

The lead prosecutor, Larry Mackey, said he understood "how difficult it must have been" for the jurors, although "the victims are disappointed."

Jim Denny, whose children Brandon and Rebecca were injured in the bombing, sympathized with the jurors.

"I mean I really think that the 12 jurors became victims in this. They saw things that we saw that day and probably more than we saw. I really feel for them. I think they made the right choice in letting the judge handle it."

(AP, AFP, Reuters)

Scientist Says He's Ready to Clone a Human Being

By Rick Weiss
Washington Post Service

WASHINGTON — A Chicago scientist says he has assembled a team of doctors that is prepared to clone a human being sometime before Congress bans the procedure, and that eight people have already volunteered to be cloned.

The scientist, G. Richard Seed, is a physician who has been involved in various kinds of fertility research since the

early 1970s. Several people familiar with Mr. Seed said he is known for his eccentric views and doubted he would follow through with his plan. But others said Mr. Seed has the technical and entrepreneurial expertise — and philosophical commitment to radical science — to accomplish the feat.

"Richard is a brilliant man," said Harriett Hasson, chairman of obstetrics and gynecology at the University of Chicago's Weiss Memorial Hospital, who has worked with Mr. Seed. "He is

a little crazy, but we all have to be a little crazy to get to that level."

If anyone can make human cloning happen, he added, "it would be someone like Richard Seed."

Mr. Seed appears to be the first scientist to state plainly that he has both the means and the intention to clone a human being. The aim would be to aid infertile couples. In an interview, Mr. Seed said his preparations were "90 percent complete" and that four infertile volunteer couples had been selected.

Three of the couples have one infertile partner each. Mr. Seed said, and the "first choice" couple is a man and woman who are both infertile.

"The only way they can transmit any of their genes is by cloning," he said.

President Bill Clinton last year banned the use of federal money to conduct human cloning experiments and has requested that privately funded enterprises adhere to a voluntary ban on human cloning.

A national bioethics commission last year recommended that Congress enact a law that would make human cloning illegal, saying it posed unacceptable medical risks and raised deeply troubling ethical questions. But none of the legislation produced so far has made it through even early stages of congressional review.

Mr. Seed said he would move his operation overseas if Congress or the Food and Drug Administration tried to impede his work.

Cloning is an experimental method for replicating adult animals that was made famous last year when scientists in Scotland used it to make Dolly the sheep, the first mammal cloned from an adult cell.

In humans, the method would start with a single cell — any cell may do — taken from the adult who wants to be cloned. Using an electrical jolt, scientists would fuse the genes from that cell with a specially treated donor egg cell whose own genes had been removed. That cell would be allowed to grow into an embryo in the laboratory. The embryo would be implanted into the womb of a surrogate mother, where it would develop into a person genetically identical to the original donor.

Mr. Seed acknowledged that one reason he was announcing his intentions was to help attract venture capital.

Yury Verlinsky, director of the reproductive genetics institute at Illinois Masonic Medical Center in Chicago, said he had heard about Mr. Seed's plan and did not doubt that Mr. Seed or someone else with a similar background could achieve the first cloning of a human.

"Practically anyone able to do ICSI is able to do cloning," Mr. Verlinsky said. ICSI refers to intracytoplasmic sperm injection, a common fertility treatment.

Still, Mr. Verlinsky added, "I don't think he will do it."

But others, including Mr. Seed's brother, a Chicago surgeon, are not so sure Mr. Seed will not. "He's got the background and the organizational experience of getting people together in controversial areas of biology and medicine," Randolph Seed said.

Lori Andrews, a professor of law and bioethics at Chicago-Kent College of Law, said: "My own concern at this point has to do with the physical safety of the offspring since we know from the sheep experiments there are a lot of risks of mutation and fatality in the early months of life. Even if it were proved safe in animals, I have concerns about the psychological impact of a child having to live out a previously engineered genotype. This is about undue power of parents over children."

Prospector Spacecraft Heading for the Moon

The Associated Press

CAPE CANAVERAL, Florida — A little drizzle spacecraft called Prospector hurtled toward the moon Wednesday, its task to search for water, minerals and gases during NASA's first lunar mission in 25 years.

"It certainly feels good to be going back," said Joseph Boyce, a scientist working on the unmanned mission, after the flawless launching Tuesday night. "I couldn't be more excited, more happy, more pleased."

The National Aeronautics and

Space Administration last explored the moon in December 1972 with Apollo 17.

The Prospector, due to arrive at the moon Sunday, carries five instruments that will search from lunar orbit for evidence of frozen water at the shadowed poles, as well as for minerals and gases. Such resources, especially water, could be used by human settlers.

The 4-foot (1.2-meter), 650-pound (292-kilogram) spacecraft also contains an ounce (28 grams) of the ashes of Eugene Shoemaker, a planetary sci-

entist who trained the Apollo astronauts in lunar geology in the 1960s and early 1970s and yearned to fly to the moon. He died in a car accident in July during an Australian research trip.

A half-moon gleamed in the sky as the Athena rocket blasted off at 9:28 P.M. on Tuesday, a day late. A launch attempt Monday was foiled by trouble with radar needed to track the rocket. An hour into the flight, a motor firing, propelling Prospector out of low-Earth orbit and toward the moon 240,000 miles (384,000 kilometers) away.

Smithsonian Drops Sponsor on Israel

By Jacqueline Trescott
Washington Post Service

WASHINGTON — Faced with sharp criticism from a key congressman and several Jewish organizations, the Smithsonian Institution has dropped the principal co-sponsor of a lecture series on the 50th anniversary of Israel's birth.

The Smithsonian said it had decided to put on the program without the assistance of the New Israel Fund, a liberal philanthropic organization that supports reconciliation between Arabs and Jews as well as religious pluralism in Israel.

The partnership and a preliminary list of speakers were cited by critics as evidence that the Smithsonian program would be unbalanced, including too many critics of Israeli policy and not enough supporters.

Among those demanding a change was Representative Michael Forbes, Republican of New York, a member of the House Appropriations Committee, which approves 70 percent of the Smithsonian's budget.

The change in the Smithsonian's position was announced by the museum's secretary, I. Michael Heyman.

Mr. Heyman came to the Smithsonian three years ago just as the uproar over the planned Enola Gay exhibition was escalating. Veterans groups, military historians and members of Congress criticized initial plans for a show centered on the plane that dropped the atomic bomb on Hiroshima, contending it was too sympathetic to the Japanese. His decision to revamp that exhibit was

viewed as a concession to congressional critics and the angry public.

In a letter to Mr. Forbes, Mr. Heyman assured the congressman that the Smithsonian had taken charge of the commemoration, that it had dropped its co-sponsor and would ensure that all sides were represented on the program.

The complaints over the program

and pull together a program as complicated as this."

Norman Rosenberg, the executive director of the New Israel Fund, said he was not angry at the Smithsonian but wished it had taken the time to examine the sources of the criticism.

"It was driven by right-wing extremists who wish to stifle any open commentary about Israel," said Mr. Rosenberg. His organization had selected some of the speakers for the still-evolving program with the museum's blessing, but the fund's critics had depicted its choices as pushing a "left-wing" agenda. The New Israel Fund was ready to pay between \$15,000 and \$20,000 of the program's expenses.

The "Israel at 50" lecture series is still planned for late spring or early summer. Mr. Heyman wrote Mr. Forbes that "it is our intention to highlight Israel's achievements," to consider some of the key issues it faces, and to examine its hopes for the years ahead.

In a letter sent to Mr. Heyman last week, Mr. Forbes said he was "shocked and disappointed" when he saw a notice of the program. He said it was stacked with speakers who are "the most severe and one-sided critics of Israel."

The controversy reflects a continuing dispute in the American Jewish community about how much criticism of Israeli policy and government is acceptable. Conservatives have argued that American Jews should not interfere in domestic Israeli concerns, while others criticize the government's support for Orthodox religious groups.

The controversy reflects a continuing dispute among American Jews about how much criticism of Israeli policy and the Israeli government is acceptable.

again showed the land mines involved when institutions such as the Smithsonian solicit sponsors. The practice is increasingly common, and the trend has touched off soul-searching at the 151-year-old national museum complex. As the number of partnerships has grown, so has the scrutiny of Smithsonian policy. The clothing industry lodged immediate complaints about the involvement of labor unions in a still-planned look at sweatshops. Environmental groups objected when Alyeska, the company that built the Alaska pipeline, sponsored an exhibit on the pipeline at the Museum of American History.

The Smithsonian has repeatedly said that sponsors do not dictate the language of the labels in museum exhibitions or have any other direct say on content.

But David Umanovsky, the Smithsonian director of communications, said Tuesday, "We were naive to think we could go forward with just one group

safety hazards. But Westerners and wilderness aficionados love the aging structures. And a program started in 1979 offers hope of restoring many of them as back-country cabins. The Washington Post reports. At Clearwater National Forest in Idaho, for example, volunteer workers have restored three lookout towers and one cabin, and are preparing two more lookouts. Once the structures are tidy and tight, recabled to the mountain and grounded to protect against lightning, campers may rent them for as little as \$15 a day. The proceeds go back to the restoration fund.

Hispanic gardeners in Los Angeles who depend on the use of noisy leaf blowers say they will continue a hunger strike to protest a city ban on the machines. The city council voted Tuesday to enforce a year-old ordinance against the gas-powered devices, which were outlawed after homeowners' complaints about noise, which approaches chain-saw levels, and dust. The gardeners say the blowers give them a level of productivity that makes the difference between profit and poverty. The council did sharply reduce penalties for blower use from a \$1,000 fine and up to six months in jail, to a \$100 fine and court costs. Not happy with that, a dozen gardeners who began a liquids-only fast Saturday on the City Hall lawn will continue their protest, a spokesman said.

The first little pig in the children's story might not have been so dumb. Straw houses, it seems, are making a comeback. Popular 300 years ago in Europe, straw houses made a modest renaissance in the 1970s, U.S. News & World Report notes, and now are catching on again. There are about 1,000 in the United States today, but that number is expected to double within two years. Many insurers and zoning officials have doubts about the stuff. But proponents say straw has much to recommend it. It is cheap, noise-proof, energy-efficient, as well as fire-resistant when tightly baled. And it's not so easy to blow down.

Brian Knowlton

AMERICAN TOPICS

Aquarium to Revive an Old Whaling City

New Bedford, Massachusetts, once a center of the world whaling industry, hopes to build a revival around a \$124 million aquarium, which would be one of the biggest anywhere, and a waterfront renovation.

The world-class aquarium complex would be built on the site of an old power plant, part of an ambitious plan to remake this blue-collar harbor city. If financing is secured, construction will begin by this summer. The aquarium would include a 2-million-gallon fish tank.

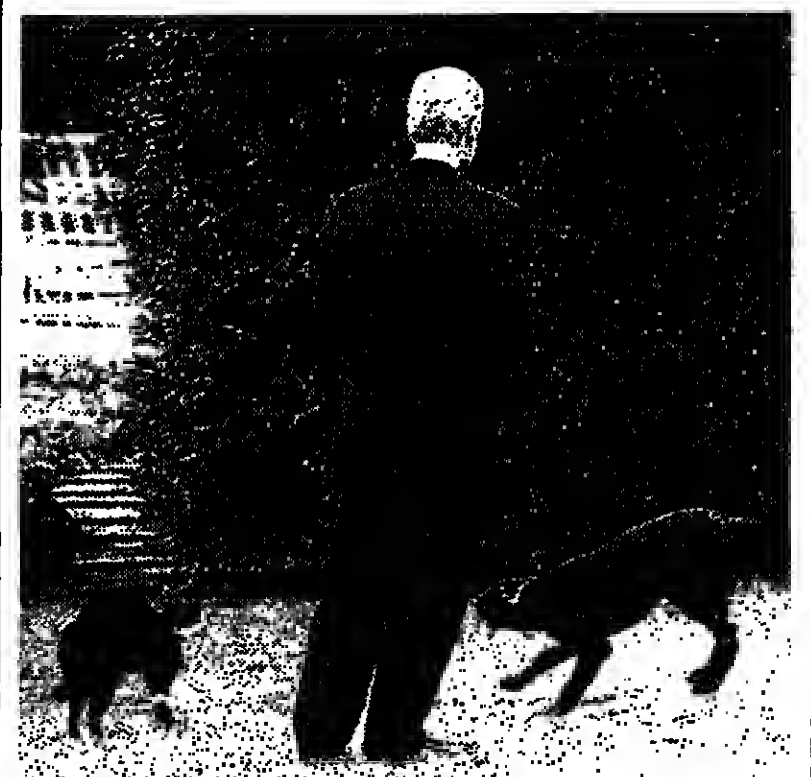
The city of 100,000 on Buzzards Bay is still one of the country's leading commercial fishing ports. Its heritage is announced by the fact that 40 percent of its inhabitants descend from Portuguese who came here largely to work in the fishing industry.

In the mid-1800s, New Bedford, along with Nantucket, was a thriving center of the global whaling industry. (Even before whites began whaling here in the 1760s, American Indians had caught whales from shore, as the Basques did.) But when petroleum products began replacing whale oil in many uses, the industry entered a sharp decline.

Short Takes

Fire-lookout cabins across the Western parks were once proud symbols of the U.S. Forest Service, evoking images of strong and independent people, living at the frontier and keeping watch over what is wild. But over the years they were displaced by fire spotters in airplanes. Many of the lookouts were dynamited or dismantled in the 1960s and 1970s, and others now risk being destroyed as

POLITICAL NOTES



Greg Gahm/The Associated Press

SUMMIT MEETING — President Clinton trying to get his cat, Socks, and his dog, Buddy, to make friends. Socks declined to compromise, and dog and president retreated to the White House.

\$21 Billion Is Sought To Widen Child Care

WASHINGTON — In a move billed as the nation's largest investment in child care, President Bill Clinton proposed a \$21.3 billion package of grants and tax breaks on Wednesday to help working families find affordable care.

The key element would be a major expansion of the state block-grant program offering subsidies for child care. Mr. Clinton's plan would add \$7.5 billion over five years, making 2 million children eligible for child care assistance by 2003. Currently, about 1 million are eligible, and their families receive \$3,200 annually.

The proposal would also expand the reach of the program to lower-income families — generally those making about \$35,000 a year for a family of four, officials said. The program now largely helps Americans trying to move from welfare to work.

Congress would have to approve all the money for Mr. Clinton's proposals, and Republicans have resisted earlier attempts to expand social spending. The Clinton administration said that nearly a third of the money could come from a settlement that is expected between the government and the tobacco industry. (AP)

Paula Jones Hints At IRS Harassment

LONG BEACH, California — Lawyers for Paula Jones said that investigators from the Office of the Inspector General of the Treasury De-

partment had begun an inquiry into the circumstances of an internal Revenue Service audit of Ms. Jones and her husband, Stephen.

At an unusual late-evening news conference Tuesday, at which Ms. Jones appeared but did not speak, the lawyers said the Joneses had received notice of the audit just days after the lawyers who had been representing her in her sexual harassment suit against President Clinton resigned last fall.

The lawyers said the notice came also around the time that Mr. Clinton's lawyers began their pretrial requests for documents in the case.

Ms. Jones's lead counsel, Donovan Campbell Jr., said Tuesday night that the Joneses and their lawyers had met for about two hours with three federal investigators.

Mr. Campbell said it was his understanding that the inspector general's inquiry had begun in early December at the request of several members of Congress. He said the general subject matters of the inquiry involved the possibility of improper or political motives in selecting the Joneses' tax returns for audit, the overall handling of the audit by the IRS and potential deficiencies in the audit process. (NYT)

Quote/Unquote

Tony Miller, a Democrat who plans to run for office in California, after a federal court judge struck down the core of the state's voter-approved limits on campaign contributions: "This is back to business as usual. We will see a horrendous pouring of cash into these campaigns, unless we can stop it. The political action committees, parties and politicians won at least this round." (LAT)

Away From Politics

• Dog bite injuries have reached epidemic proportions in the United States, with children suffering the majority of the wounds, researchers report. Of the 4.5 million people bitten by dogs each year, one out of six required medical treatment and more than half were children, researchers at Allegheny University said. Their study was published in the Journal of the American Medical Association. (Reuters)

• Robert Kaiser, managing editor of The Washington Post since 1991, will step down June 30 to return to writing. He will become associate editor and senior correspondent. The

paper's executive editor, Leonard Downie Jr., said a successor would be named soon. (AP)

• A Vietnamese man on the FBI's 10 Most Wanted List was sent to the United States to face a murder charge after being arrested by the police in Vietnam. Thang Thanh Nguyen, 28, a cook charged with killing a New York restaurant owner six years ago, was arrested on Dec. 22. (AP)

• A janitor at the Historical Society of Pennsylvania in Philadelphia was accused of stealing John Brown's rifle, General George Meade's sword and hundreds of other Civil War artifacts worth up to \$3 million and selling them to a collector for a few thousand dollars. Earnest Medford sold more than 200 items to George Cizmaz, the FBI said. (AP)

ADVERTISEMENT



His Holiness Maharishi Mahesh Yogi

Source and inspiration of the Maharishi Global Development Fund, who introduced Transcendental Meditation to the world forty years ago, and opened the gate of enlightenment to millions of people, is now applying his knowledge of Natural Law to the field of economy in order to harness the power of wealth to bring all aspects of everyone's life in full accord with Natural Law, so that every individual blossoms in his full Cosmic Potential, and every nation blossoms in the royal, sovereign dignity of Cosmic Life.

Maharishi Global Development Fund

Greetings and Good News for 1998

Reconstruction of Housing, Offices and Cities According to Natural Law to Maximize Health and Good Fortune

The Maharishi Global Development Fund sends warmest greetings to all for 1998, and gives congratulations for some good news of the New Year.

Nineteen ninety-eight comes with a great promise—the establishment of the Maharishi Global Development Fund, a new non-profit fund organized in the United States to support the creation of healthy housing in the 1,000 largest cities of the world. These housing projects will utilize the ancient principles of Vedic architecture and planning in harmony with Natural Law—Vastu Vidya of Shatapatha Veda.

The Maharishi Global Development Fund is the treasury of Maharishi's Global Administration through Natural Law, which Maharishi established to eliminate the problems and suffering on earth.

The Effect of Building Orientation on Health and Success

People do not generally know that the orientation (north, south, east and west) of residential and office buildings contributes a great deal to success and progress in professional life, and health, happiness and fortune on the individual level.

A considerable amount of ill health, misfortune, and suffering can be eliminated by working in properly oriented homes and offices.

The new housing developments built with the support of the Maharishi Global Development Fund will be fully aligned with the evolutionary power of Natural Law, so that each house contributes its maximum to support and fulfill the activity of the owner, and maintains individual life in harmony with cosmic life.

Reconstruction of Modern Congested Cities According to Natural Law

Through this initiative of the Maharishi Global Development Fund, any modern congested city, such as Paris, Rome, New York or London, can easily be reconstructed using the knowledge of planning and building according to Natural Law.

You can find out more about the Fund by sending for a copy of the policy statement for the Fund. Maharishi Global Development Fund—Creating a Better Quality of Life, or by visiting the Fund's internet website: <http://www.Maharishi-Fund.org>.

Maharishi Global Development Fund
Suite 7967, One World Trade Center, New York, New York 10048
Tel: 1-212-524-7775, Fax: 1-212-524-0745
or Maharishi's Spiritual Center of America, Suite 218, 639 Whiting Road, Boone, North Carolina 28607
Tel: 1-704-268-0886; Fax: 1-704-268-0887

ASIA/PACIFIC

Vietnam Turns Execution of 3 for Corruption Into Spectacle

HANOI — Three former businessmen convicted of corruption were executed Wednesday by the Vietnam government in front of thousands of witnesses on the outskirts of Ho Chi Minh City.

Among the crowd at the execution were relatives and former staff of the now bankrupt Tamexco company whose name is now synonymous in Vietnam with the word "corruption."

Officials confirmed only that the death sentence had been carried out. But prison officials and members of the crowd detailed the macabre close of the latest chapter in the scandal.

The flamboyant former Tamexco director, Pham Huy Phuc, Tran Quang Vinh and Le Duc Canh were sentenced to death last January at the end of one of the biggest trials in Vietnam's recent history.

At dawn on Wednesday they were awakened in their cells at Ho Chi Minh City's Chi Hoa Prison and led to a room where the final decision to proceed with the execution was read to them.

A prison source said they were offered cigarettes, a chance to write final letters and a last meal of steamed buns, chicken and a soft drink.

All three declined the food. Mr. Canh took a cigarette. Mr. Vinh was the only one of the three to write a final note — to his wife and children.

The men were then blindfolded, and following common practice for condemned men in Vietnam, gagged with lemon in their mouths en route to the execution ground.

Shortly before 7 A.M. they arrived at the site — a shabby field in Thn Duc district, on the outskirts of the city — where they were tied to posts.

Onlookers, who had begun gathering hours earlier, said Mr. Phuc appeared to faint as three five-man firing squads prepared. But in the final moments a woman in the crowd called out his name, and he responded in brief acknowledgment.

Moments later he and the others were shot to death. A commanding officer finished the process with the traditional pistol shot to their heads. The bodies were covered in bamboo mats and interred in simple coffins in shallow graves at the site.

From high-flying success to his downfall, Mr. Phuc had been one of the most prominent businessmen in Vietnam. As head of Tamexco — a Ho Chi Minh City trading firm — he was associated with leading figures throughout the country's business community and political establishment.

Newspaper reports detailed last year how he had squandered millions of dollars in state assets. He bought a luxury villa for a girlfriend and frittered away thousands on card games.

But analysts said his demise, and that of the company around him, became a showcase for Hanoi's resolve to stamp out corruption, which has grown out of control in the wake of free-market reforms introduced in the late 1980s.

A fourth man, Le Minh Hai, was originally condemned to death alongside the three, but his sentence was commuted on the ground that his family had contributed to the Communist victory in the Vietnam War. Sixteen other persons received a range of sentences at the trial from suspended prison terms to life in jail. Other senior officials, including a former deputy central bank governor, were implicated.

Deny Suharto Another Term, Indonesian Group Urges

JAKARTA — The head of Indonesia's second-largest Islamic group urged the legislature Wednesday not to nominate President Suharto for a seventh five-year term in office, according to reports here.

"Re-electing President Suharto means we maintain the status quo," Amien Rais, chairman of the 28-million-member Muhammadiyah, was quoted by The Jakarta Post as saying.

The current government has "failed to curb the monetary crisis," he said, addressing his remarks to the country's highest legislative body, the People's Consultative Assembly (MPR), responsible for selecting the president and vice president.

"The MPR should establish a presidium of caretakers to temporarily take over presidential duties while waiting for a new president to be elected in March," Mr. Rais added. He called the handling of the current economic crisis a "mission impossible."

Mr. Suharto has run unopposed at every election held under his regime and is widely expected to win in March.

■ 2 Dissenters Face Prison

Two men accused of distributing leaflets defaming President Suharto face up to two years in prison if convicted, The Associated Press reported from Jakarta.

A prosecutor said Tuesday that he would seek the sentence in their trial in Tangerang, about 30 kilometers (18 miles) west of Jakarta, the Antara news agency reported.

Syarifuddin bin Mardali, 25, and Abdullah bin Samuli, 22, allegedly handed out 200 leaflets in the capital during parliamentary elections in May urging Mr. Suharto's family to publicly reveal their assets and business interests and demanded that the government stamp out corruption.

HONG KONG: Asia Currency Crisis Expands With a Haven on the Verge of Becoming a No-Man's Land

Continued from Page 1

reflected a fundamental weakening of the market, amid concern that the territory has become far too expensive compared with its neighbors and the realization that it is no longer a safe haven from the turmoil.

"I think there's a realization that although we were seen as a safe haven, we are an integral part of the region," said James Osborn, director and head of sales for Barings.

Compared with the stock market collapses of late last year, he said, "I think the situation this time is a bit more severe because of what's happened elsewhere. We're in a bit of a no-man's-land."

Another analyst here said, "Hong Kong is in the middle of Asia, and Asia has just gone through this absolute nightmare." The analyst added: "No one is immune from the virus."

The region's collapsing stock and currency markets were cited for the dramatic sell-off in Hong Kong on Wednesday. As capital flees the region, and with few people willing to buy in the

volatile local market, many are now speculating that the fixed exchange rate may be the next casualty.

"As a lot of regional currencies depreciate, it makes the Hong Kong dollar look very expensive," said Patrick Chia, a researcher at China Everbright Securities Ltd. "I think the competitiveness of Hong Kong is definitely going to be affected."

While the government has pledged to maintain the fixed exchange rate, analysts said they saw few alternatives to a continued battering of the stock market, soaring interest rates and an eventual recession that could see property prices crashing, companies going bust and more people thrown out of work. The government drove the overnight borrowing rate up to 300 percent in a move to ward off speculators.

"I think it's a chain effect," a broker said. "If they want to hold the Hong Kong dollar at the current level, the stock market and the property market will continue to fall."

The manager of a Hong Kong-based mutual fund said: "Nobody's buy-

ing property, nobody's buying stocks. People are selling property and stocks."

The cost of a bra in Hong Kong, he continued, "Hong Kong has just got to adjust. It's probably the most expensive property market in the world, and it's sitting in a region that has become comparatively cheaper. The probability is there will have to be a recession, unless an adjustment in prices comes very quickly."

He predicted, "We'll probably have a bankruptcy or two in the next few weeks."

Analysts were at a loss to explain why the regional collapse showed no sign of abating this week, or to predict with any certainty how far down local stock and currency values might plunge before regaining any sort of footing.

The main problem now, they agreed, was that local investors from Jakarta to Bangkok to Kuala Lumpur had lost confidence in their own economies and were driving down the value of their own currencies by financially fleeing to U.S. dollars to pay their dollar debts, or

just as a protective hedge against further devaluations.

That assessment appeared to contradict the claims of Prime Minister Mahathir bin Mohamad of Malaysia, among others, that outside currency speculators are responsible for the turmoil.

"As far as Southeast Asia is concerned," said an analyst in Singapore who follows the region, "I think the problem right now is not the confidence of foreign investors in these markets, but the local investors themselves. Local investors are looking for safer havens. If you were in Indonesian rupiah or Malaysian ringgit, maybe it's better to park your funds in a currency that's not going down so quickly."

He added, "Most foreign investors, if they wanted to sell these markets, have already done so." And, he said, "local conglomerates and local companies are

now selling down their own currencies. That makes it much more difficult to predict a bottom to this thing."

Simon Ogus, chief economist for Asia at SBC Warburg Dillon Read, said the U.S. dollar in the region now has become "like a bag of rice in a famine," with a value far beyond its real worth. "You want to see who the biggest speculators are," he said, "it's the local companies."

The circumstances of the turmoil vary. In Thailand, the main problem now seems to be a recognition that a bailout package by the International Monetary Fund will be inadequate to address the country's crisis. In Indonesia, the problem is mainly the fear that local companies and banks will not be able to pay their short-term foreign debts, which have ballooned dramatically with the rupiah's plunge.

JAKARTA: Officials Fear Budget Could Sink Rescue Plan

Continued from Page 1

subsidies and benefits if the IMF's prescriptions were followed faithfully.

One possible outcome is that the IMF, which disbursed \$3 billion in loans to Indonesia in November, would refuse to approve a second installment of \$3 billion that is scheduled to be advanced in mid-March after a review of Indonesia's performance.

Government sources stressed that a decision was far from being made, but the senior IMF official said, "It will be a key moment for all of us — not just the Indonesians, but for all of us trying to think through how to deal with this situation successfully."

Analysts said the budget unveiled Tuesday by Mr. Suharto made a suspension of IMF assistance much more likely, because Jakarta was failing to fulfill promises to run a budget surplus and was talking at cutting spending on politically popular items that the IMF views as inefficient, such as gasoline subsidies. "The next step will probably be the IMF freezing the forwarding of

funds to Indonesia, pending a revision of the budget," said David Durant, a senior currency strategist at IDEA, a New York-based economic consultancy. "That will create a lot more concern within the Asian region, which is exactly what the Asian region doesn't need at this time."

Officials from the IMF and Washington are anxious to restore stability in Indonesia, partly because of the impact an economic collapse there would have on the economies of its neighbors, and partly because the giant, multiracial archipelago has a history of bloody conflict between the Muslim majority and the small ethnic Chinese minority that controls the bulk of the wealth.

David Hale, an economist at Zurich Kemper Investments in Chicago, said, "Indonesia could move from a financial crisis to a political crisis to an ethnic pogrom."

"This thing is still very serious," he added.

A collapse of the Indonesian rescue would not necessarily raise the risks of an international financial crisis —

BRIEFLY

Gandhi to Start Election Campaign

NEW DELHI — Sonia Gandhi will start her election campaign for the Congress (I) Party from the southern Indian town where her husband was assassinated in 1991, a senior leader of the party said Wednesday.

The official, Ghulam Nabi Azad, said Mrs. Gandhi would begin her campaign Sunday in Sriperumbudur, where Rajiv Gandhi was killed by a suicide bomber during an election meeting.

Mrs. Gandhi joined the Congress Party, once dominated by the Nehru-Gandhi political dynasty, in May. She has yet to make a public speech, but is expected to inject much-needed charisma into the lackluster line-up of Congress leaders.

Mrs. Gandhi, 51, agreed last week to campaign for a Congress victory in the general elections beginning mid-February, boosting morale in a party that is trailing the Hindu nationalist Bharatiya Janata Party in opinion polls. (Reuters)

Hong Kong to Raise Chicken Payments

HONG KONG — Hong Kong agreed to increase compensation Wednesday for chickens slaughtered in the battle against avian flu.

Dozens of farm owners and poultry workers camped outside government buildings overnight to press for more money after 1.3 million chickens and other poultry were killed last week.

The package should be approved by lawmakers Friday.

On Monday, the government had proposed a 100 million Hong Kong dollar (\$12.9 million) compensation package, which would give farmers from 16 to 36 dollars for every chicken killed. (Reuters)

Opposition Reports Taliban Massacres

ISLAMABAD, Pakistan — Soldiers killed at least 600 civilians, lining people up and shooting them, during a two-day massacre in northwestern Afghanistan, opponents of the Taliban regime said Wednesday.

The claims of a massacre that took place 400 kilometers (250 miles) northwest of Kabul last Thursday and Friday were made by Subatullah Zaki, an opposition spokesman based in Pakistan, in a letter to Kofi Annan, secretary-general of the United Nations.

The claims were impossible to confirm because of the remoteness of the region, which has been the scene of heavy fighting lately between the Taliban and its northern-based enemies.

UN officials in Islamabad, however, said they had received security reports suggesting mass killings followed by an exodus of civilians. (AP)

Envoy in Cambodia Is Seen as Target

PHNOM PENH — A grenade placed near the home of a military attaché to the Vietnamese Embassy here was found Wednesday morning, the police said.

Police officials called the incident a possible act of terrorism linked to Cambodia's national holiday Wednesday, which marks the anniversary of the 1979 overthrow of the Khmer Rouge regime by Vietnamese forces.

The grenade was destroyed, the police chief said, and no one was hurt. (Reuters)

CROSSWORD

ACROSS

1 Places for
2 Vancetti's
3 partner in
4 Stewdowns
5 Have — in
6 one's bonnet
7 Without extra
8 toppings
9 Suite with
10 Saturn
11 1904 La Scala
12 premiere
13 Angle type
14 Purpose
15 A bunch
16 1896 Testro
17 Regio premiere
18 Deep-six

DOWN

1 Actor
2 Melcolm
3 Warner
4 Ropemaking
5 fiber
6 Fix, as a
7 soundtrack
8 Defense gnp.
9 abolished in
10 1977
11 Where some
12 losers hang out
13 Picture holders
14 Bring about
15 Write up, as a
16 speeder
17 Hamilton's prov.

1917 Monte Carlo premiere
11 Apply gold leaf to
13 Comes out with
14 Israeli Philharmonic director
15 Dash
16 Actress Aliens at
17 Discom
18 Auroch
19 Big pig
20 Oppositionist
21 Beretelli, often
22 Rowlands of "Gloria"
23 Unceasingly
24 Not yet final, legally
25 1918 Met premiere
26 First Lady in 1900
27 Hot blood
28 Not rose
29 Contents of
30 some banks
31 Attack verbally
32 Slow seasoning
33 Diet
34 Tap problems
35 — vinci amor
36 Sully
37 Like old records
38 Fossey's fascination
39 True-to-life

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Jan. 7

DOWN
1 Actor Melcolm Warner
2 Ropemaking fiber
3 Fix, as a soundtrack
4 Defense gnp. abolished in 1977
5 Where some losers hang out
6 Picture holders
7 Bring about
8 Write up, as a speeder
9 Hamilton's prov.

DO YOU LIVE IN DENMARK?

For a hand-delivered subscription on the day of publication in major Danish cities, call 00 33 1 4143 9361

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

EUROPE

EU Defends Open-Borders Policy

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission on Wednesday defended the open-borders policy among nine European Union members, saying the so-called Schengen accord would not in itself cause an influx of Kurdish refugees to spread throughout the 15-nation bloc.

But the EU's executive said that unless the Union acted in harmony on asylum and immigration matters "weaknesses and difficulties" would arise in controlling refugee flows.

"The commission stresses that Schengen is not a sieve," a spokesman said after the executive discussed the arrival of Kurdish refugees in Italy, which had said it would welcome them with "open arms."

"Schengen is the achievement of free movement, but flanked by efficient measures to control illegality and criminality," the spokesman said. He added, "Without minimizing the general problem, we do our best to ex-aggerate the problem that is posed."

Germany tightened border controls this week after accusing Italy and Greece of failing to block the passage of Kurdish refugees.

The tide of would-be immigrants into Western Europe has risen dramatically in recent years as the disparity in living standards between the rich northern democracies and their impoverished neighbors along the Mediterranean rim has grown.

Prime Minister Mesut Yilmaz was quoted as saying Wednesday that Turkey was willing to strike an accord with the Schengen group to try to curb the surge of refugees.

"We will do our best to reach an agreement," Mr. Yilmaz told the Italian newspaper La Stampa.

"Our sole desire is to make a major contribution so that Italy and the European Union can break up the criminal networks that run illegal immigration rings," he said.

As to the hundreds of Turkish Kurds that have arrived in Italy in recent days, Mr. Yilmaz said their flight was economically motivated.

"This is an economic phenomenon that started several years ago and involves thousands of people fleeing poverty and misery," he said.

Senior police officials from several European countries are to meet in Rome on Thursday to map out a strategy on stemming the influx of Kurds.

Although the Italian Interior Ministry could not provide a definitive list of participants Wednesday, countries that have indicated they would take part, besides Italy, are Germany, France, Greece, the Netherlands and Turkey.

The European Commission discussion took place as EU officials started

preparing an action plan to prevent the refugee influx from derailing the Schengen open-borders project.

The plan, which diplomats said would be under preparation for several more days before being adopted by EU foreign ministers later this month, involves more effective border controls, and consular and police cooperation.

The commission said the Kurdish crisis was proof that the EU needed to act together and said member states had failed to enact legislation that could have helped deal with the situation, notably conventions on temporary protection and external border controls.

More than 1,000 refugees, mostly from Turkey, have landed in Italy over the past week and more are expected. Many are thought to be heading for Germany, France and the Netherlands. Germany, France, Spain, Portugal, Belgium, the Netherlands and Luxembourg are currently full members of the Schengen agreement.

Italy and Austria have scrapped passport controls for inter-Schengen flights and their land-border controls are due to disappear in March.

Greece hopes to become a full member later this year.

Turkey, meanwhile, has freed scores of Iraqi Kurds arrested trying to enter Greece illegally, despite a government pledge to seal Turkish borders against illicit emigration in line with European demands.

The governor's office in the border province of Edirne said 140 Iraqis, most of them from the mainly Kurdish enclave of northern Iraq, were captured by gendarmerie border units in three separate incidents on Monday.

The Iraqis, together with 10 Moroccans, 6 Egyptians, 6 Iranians, 2 Pakistanis and 2 Indians appeared before a prosecutor. "They were released by the judicial authorities," the office said in a brief statement.

(Reuters, AP, WP)

French Jobless on March Demonstrations Over Benefits Reach Paris

The Associated Press

PARIS — French jobless, whose protests have shut down unemployment offices around the country for nearly a month, marched through Paris and about 50 other cities and towns Wednesday to demand increased government aid.

In Paris, about 1,000 people marched to the Finance Ministry, shouting, "Those who sow misery, harvest anger."

Activists have occupied 26 state unemployment agencies around France, demanding a one-time, year-end bonus of 3,000 francs (\$500) and bigger benefits.

Some protesters gathered outside an unemployment agency in Lyon on Wednesday, and about 100 jobless demonstrated in Rennes, western France, TV reports said.

About 3,000 people also were protesting in the Mediterranean port city of Marseille, where unemployment is higher than the national average of 12.4 percent.

The escalating protests have become a serious problem for the Socialist government of Prime Minister Lionel Jospin, which has promised plans to reduce unemployment but has refused to increase aid to the jobless.

Communist and Green Party members of Mr. Jospin's governing coalition have criticized what they call his lack of

response. The Socialists took power in elections last June by promising to make employment their highest priority. The government has pointed out that the recent protests involve just a tiny fraction of the country's jobless.

Dutch Government Criticized on Crime

Reuters

AMSTERDAM — The Dutch government was urged Wednesday to take a tougher line on violent crime after a judge in a murder trial drew fire for being too lenient in the sentencing of three men accused of murder.

Members of Prime Minister Wim Kok's Labour Party said they would draft their own law-and-order bill if Justice Minister Winnie Sorgdrager failed to take the initiative.

On Tuesday, a court in Leeuwarden sentenced two men accused of killing Meindert Tjoelker, who was kicked to death when he tried to stop youths from destroying a bicycle. Two men were sentenced to 16 months in prison with eight months suspended. A third man was sentenced to six months in prison. They were found guilty of public violence, but the court found no evidence to convict them on Mr. Tjoelker's death.

Mowlam Sets Visit to Ulster Prison to See Protestants

Reuters

LONDON — The British secretary for Northern Ireland, Marjorie (Mo) Mowlam, agreed Wednesday to visit hard-line Protestant prisoners in the Maze prison outside Belfast in an attempt to keep the province's shaky peace process intact.

Gary McMichael, leader of the political arm of two outlawed "loyalist" guerrilla groups, said Ms. Mowlam had told him during a meeting in London that she would go to the Maze on Friday.

There was no immediate comment from Ms. Mowlam.

The meeting was the latest in a series Ms. Mowlam has held this week with leading politicians in a desperate bid to prevent the collapse of multiparty peace talks designed to end 30 years of sectarian strife.

Tension has been high since members of a Roman Catholic splinter group, the Irish National Liberation Army, murdered Billy Wright, leader of the Loyalist Volunteer Force, inside the Maze high-security prison Dec. 27. Since then, Protestant gunmen have murdered two Catholics in revenge killings.

Underscoring the fragility of the peace, British forces on Wednesday defused a 500-pound (230-kilogram) bomb in Banbridge, south of Belfast, after a radio station in the neighboring Irish republic received a telephoned warning.

"The first thing we have to welcome is the fact that the secretary of state has decided to meet with the prisoners," Mr. McMichael said. "I think that is a significant step."

The prisoners are members of two pro-British terrorist groups, the Ulster Freedom Fighters and the Ulster Defense Association. Mr. McMichael's Ulster Democratic Party is the political wing of the two groups, which are banned.

Mr. McMichael added, however, that his party's presence at the resumption of round-table peace talks in Belfast on Monday could not be taken for granted.

"There is a lack of confidence in the talks process and with the attitude of the government that may put our presence on Monday in serious jeopardy," he said.

Loyalist prisoners in the Maze have withdrawn their backing for the talks, accusing the government of making too many concessions to the Catholic side.

Mr. McMichael said the province's chief pro-British Protestant leader, David Trimble, blamed Catholic militants who opposed British rule.

"It is a very obvious fact that this bomb was from a republican source," Mr. Trimble, head of the Ulster Unionist Party, told BBC radio.

Mr. Trimble said the failed attack was a bid to increase instability after a surge in violence by pro-British and pro-Irish factions opposed to current peace moves.

Meanwhile, Foreign Minister David Andrews of Ireland met with the Progressive Unionist Party, the political arm of the Ulster Volunteer Force, a guerrilla group. He said early progress in the talks next week would help repair the damage from the upsurge in violence.

U.S. Envoy to Press for Peace

Kevin Cullen of the Boston Globe reported from Dublin.

George Mitchell, the former U.S. senator who will sponsor the talks in Belfast next week and who will be expected to try to rescue a damaged peace process, has watched the deteriorating situation from afar with growing dismay.

"It has made clear to people how real the possibility of going back to violence is if this process fails," Mr. Mitchell said in his first interview since the crisis was precipitated Dec. 27 by Mr. Wright's murder. He added, "It seems to me the political leaders of Northern Ireland and the people should decide their futures — not a handful of men on the outside who are determined to wreck the process."

Mr. Mitchell said the recent upsurge in violence was a wake-up call for the British and Irish governments,



A British soldier patrolling in Anderstown, western Belfast, on Wednesday, where tension was growing after recent attacks in Catholic areas.

Italian Farmers in Uproar Over 'Milk Fine' Subsidies

Tractors to Invade Rome Over Plan to Shift Costs

By John Tagliabue
New York Times Service

ROME — They are called "milk fines," and for more than a decade these penalties have been paid by Italian governments to the European Union to allow Rome to subsidize Italy's unprofitable dairy industry.

The payments have become a symbol of Italy's insistence on maintaining costly farm production and jobs at consumers' expense.

But this week more than 450 farmers across Italy blocked roads with tractors to protest a government plan to shift the cost to the farmers.

"This game of the milk fines has to be ended," said Vilmare Giacomazzi, an organizer of demonstrations held Tuesday in Rome. An invasion of Rome by thousands of tractors is planned for Sunday.

Temper began beating up in November when the government yielded to a demand by the European Union that Rome stop paying the fines out of the government budget and get the money from the farmers instead. The fines are supposed to be paid by farmers who produce more milk than allowed under annual quotas set to keep the cost of European milk near the world price.

In the past, farmers found ingenious ways to skirt the penalties. One recent government report found that in 1996, 2,518 Italian farmers claimed to have produced 205,000 tons of milk, though they owned no cows. The report concluded that what might have passed for a miracle in this wonder-prone nation was just some farmers covering for others who had exceeded quotas.

Italy and its taxpayers paid about \$484 million to subsidize the excess milk produced last year, and Prime Minister Romano Prodi faces rising anger from olive and rice producers to help

them out as prices fall.

The problem became acute in 1997 when European governments, all on spending diets to meet the budget requirements for a single currency in 1999, decided something had to be done about spending on agriculture, which consumes two-thirds of the European Union's current \$98 billion annual budget.

For Mr. Prodi, whose government distributes almost \$6 billion a year in subsidies to farmers, more than nine-tenths from European Union coffers, the issue is crucial if he is to persuade Europe that his efforts to repair Italy's chronically sick accounts are not akin to last-minute fattening of the cow for sale.

"We've got to be serious," said Italy's agriculture minister, Michele Pinto, "because our credibility in Europe is at stake."

To defuse tempers, Mr. Prodi offered in November to reimburse farmers up to 80 percent of the amount of the fines. The farmers argue that his government got the Italian quotas wrong in the first place, that it was thus the government's fault that too much milk was produced, and that therefore the government should pay. Mr. Prodi's offer came after battles in which the police sprayed farmers with tear gas, and the farmers in response sprayed the police with liquid manure.

Defenders of subsidies argue that Italy depends on farming for 5 percent of its gross domestic product and 1.4 million jobs. (The United States, with five times the Italian population, has 3.5 million employed in farming, forestry and fishing.) But more and more, as world food prices stagnate, supporters have argued that closing farms would create enormous social dislocation and ecological damage to untended land.

Italy's farm sector is badly in need of overhaul. The average Italian farm measures just 14 acres (5.6 hectares), next to a European average of nearly 35.

BRIEFLY

U.K. Targets Drunken Drivers

LONDON — British police said on Wednesday they were lobbying the government for greater powers to target a hard core of drunken drivers.

Paul Manning, a senior officer of London's Metropolitan Police, said police want the authority to monitor the homes and drinking places of persistent offenders.

They also want general legal powers to stop those suspected of being over the legal drinking limit. Under current laws, police must have a reason to stop motorists to conduct breath tests.

"Despite all the publicity and education, people are still prepared to go out and put their lives and the lives of others at risk," Mr. Manning said at a press conference (Reuters)

Paper Warns of ETA Power

MADRID — The Basque separatist group ETA has the power to commit major attacks either in Spain or France, a Spanish daily reported Wednesday.

Confidential documents of the Civil Guard showed that ETA had "the experience and the necessary skills to carry out terrorist attacks, including those of great importance, such as assassination attempts on King Juan Carlos or Prime Minister Jose Maria Aznar," the Madrid daily El Mundo said, citing unidentified anti-terrorist sources.

ETA has killed nearly 800 people, mostly Spanish security force members, since it began fighting in 1968 for the independence of Spain's three Basque provinces. (AP)

Kohl Rejects a Deal on Tax Cut

BONN — Chancellor Helmut Kohl of Germany said Wednesday he would not water down his failed, ambitious tax cut proposal and ruled out fresh talks with the opposition

Social Democrats on a possible compromise. "It is now up to voters to make the decision about the tax reform on Sept. 27," when Mr. Kohl will stand for a record fifth term in parliamentary elections, a spokesman said.

Deadlock over tax reform marked German politics last year and has spilled over into this year's election campaign. The Social Democrats, who used their upper-house majority to kill Mr. Kohl's tax cut in Parliament last fall, urged the government Tuesday to declare whether it was ready to negotiate a compromise.

But the spokesman said the government was sticking to its plan for a "sharp and balanced lowering" of all individual and corporate taxes. (AP)

Czech Far-Rightist Is Detained

PRAGUE — The head of the far-right Czech Republican Party, Miroslav Sladek, has been detained in connection with allegations of incitement to racial hatred, the CTI press agency reported Wednesday.

Mr. Sladek, 47, was placed in custody Wednesday after being picked up as he left Parliament on Tuesday, the agency said. His parliamentary immunity was lifted in February.

His detention stemmed from an incident Jan. 21 when he set fire to a German flag as Germany and the Czech Republic signed a declaration of reconciliation. (AFP)

Trial Date Set in Gucci Slaying

MILAN — Maurizio Gucci's former wife and four others were ordered Wednesday to stand trial in the spring for 1995 murder of the fashion scion.

A lawyer for Patricia Reggiani Martinelli, Mr. Gucci's former wife, said a judge set the starting date for April 16. Mr. Gucci, the 46-year-old grandson of the founder of the famous fashion company, was shot as he walked inside his office building in central Milan on March 27, 1995. (AP)

The Sustainable Development Millennium:

SOLUTIONS THROUGH PARTNERSHIP

New York, November 4-5, 1998

This major summit meeting, jointly convened by the International Herald Tribune and the World Business Council for Sustainable Development, will provide a forum for business to play a leadership role in discussing sustainable development with governments and other stakeholders.

For further information please contact:

Brenda Erdmann Hagerty
International Herald Tribune
63 Long Ave, London WC2E 9JH

Tel: (44 171) 420 03 07

Fax: (44 171) 836 07 17

E-mail: bhagerty@iht.com



World Business Council
for Sustainable Development

INTERNATIONAL

With Defections, How Long Can Netanyahu's Shaky Coalition Last?

By Serge Schmemmann
New York Times Service

JERUSALEM — The lead item on Israel's Channel 2 news program was that Defense Minister Yitzhak Mordechai had failed to attend a scheduled meeting with Prime Minister Benjamin Netanyahu, instead visiting with troops in southern Lebanon.

A few weeks ago, nobody would have cared. But that was before Foreign Minister David Levy and his five-man faction walked out of the governing coalition Sunday, so that just one more defection could topple Mr. Netanyahu's government.

With that political calculus in mind, it was enough for a popular politician like Mr. Mordechai not to heed the prime minister's summons to set off a feverish round of speculation that the defense minister might be the next to defect.

The meeting Mr. Mordechai missed Tuesday, a discussion of preparations for the visit of Dennis Ross, the American mediator in the Middle East, was one in which the defense minister is bound to play a crucial role.

Mr. Mordechai's comment, when asked why he had missed the meeting, offered little guidance: "Yes, I heard on the radio that there was some

kind of meeting." Mr. Mordechai has consistently ranked above Mr. Netanyahu in popularity polls. With the resignation of Mr. Levy from the government, and of Finance Minister Dan Meridor before him, the defense minister has become increasingly isolated as a moderate in a cabinet dominated by religious and ideological hawks.

With Mr. Netanyahu's volatile coalition now holding only 61 votes in the 120-seat Parliament, Mr. Mordechai, or any other member of that bare majority, has the power to bring down the government.

And with the cabinet ministers torn on virtually every issue, there is a spreading sense that Mr. Netanyahu simply cannot continue the extraordinary juggling act that has pulled him through almost unceasing crises, scandals and rebellions in the last 19 months.

"This is the last supper," declared Justice Minister Tzahi Hanegbi, a political ally of Mr. Netanyahu's, after a meeting of the coalition on Monday night. "It must be said truthfully: If Levy doesn't come back, the government has no chance of lasting."

That conclusion seems to be shared by everyone but Mr. Netanyahu, who continues to insist confidently that he will survive. The question that almost everyone else has been discussing is how

he will fall. The immediate challenge, in which Mr. Mordechai figures prominently, is the American pressure on Israel to come up with a "credible and significant" further withdrawal in the West Bank by the time President Bill Clinton meets Mr. Netanyahu on Jan. 20 and the Palestinian leader, Yasser Arafat, two days later.

Mr. Ross arrived Tuesday to prepare for these

NEWS ANALYSIS

meetings and, most likely, to test Israel's rolling political waters.

The problem is that without Mr. Levy, the balance of power in the cabinet has shifted decidedly rightward, leaving Mr. Netanyahu with less room to cede to the Palestinians the 10 percent to 15 percent of the West Bank that the Americans are said to expect.

One group of hard-line legislators, known as "Force 17" after Mr. Arafat's personal security force of the same name, has vowed to vote against any proposal that surrenders even an inch of Israeli-controlled land. At the same time, the Third Way Party, another member of the coalition, has vowed to pull its four members out if Mr. Netanyahu shifts the Americans.

Mr. Netanyahu's ace in this struggle is his faith,

tested through many previous showdowns, that most members of the coalition really do not want elections. Although the old leaders of the Likud are openly disdainful of the prime minister, their great fear is bringing the Labor Party back to power.

At Monday night's meeting, Infrastructure Minister Ariel Sharon, a hawk who has steadily gained power in the coalition, told his colleagues, "When I was young and the horse was tired and couldn't move the cart any longer, I would get down and put a stone under the wheel so that the wagon wouldn't roll away."

Let anyone misunderstand, he added: "I don't want the Labor Party to come back."

The one party that is certain of gaining is Shas, a religious party based among North African and Middle Eastern Jews. But Shas already has 10 seats and has been getting what it wants from Mr. Netanyahu, so it has little interest in bringing him down.

Instead, its leader, Ariel Deri, wants to bring the Labor opposition into a "national unity" government, something Mr. Netanyahu and Ehud Barak, the Labor leader, dismissed for now.

Most other parties simply do not know what would happen in an election.

The Russian-based Yisrael B'Aliya led by Natan Sharansky, for example, has been increas-

ingly disenchanted with his failure to bring home concrete benefits and would probably fare badly to test how the parties feel, the tabloid Yedio Ahrooth asked spokesmen for six parties in the coalition whether elections were in the offing.

The National Religious Party declared that they were not. The strictly Orthodox United Torah Party said it appeared that they were. Shas Torah Party said it appeared that they were. Shas Torah Party said it appeared that they were. Shas Torah Party said it appeared that they were.

According to various officials close to Mr. Netanyahu or Mr. Levy, the prime minister has decided to get out of the political bind. His plan is to win the cabinet's approval for a withdrawal to the Americans would accept and to link it to negotiations on a final settlement, then to link the entire proposal to a series of conditions that the Palestinians would either reject or fail to fulfill, like surrendering prisoners to Israel.

Once the process became stalled, he would call elections himself, saying he needed a national mandate to pursue "peace with security."

For this reason, Mr. Netanyahu's plan, have avoided comment on Israeli proposals, preferring to channel their reactions through the Americans.

U.S. Religious Leaders Say They Will Visit Tibet

Delegation Reportedly Gets Chinese Permission

By Philip Shenon
New York Times Service

WASHINGTON — American religious leaders traveling to China to investigate religious persecution will be permitted to visit Tibet on their trip, according to members of the delegation.

Clinton administration officials said they would welcome a visit to Tibet by such a high-ranking delegation, given the continuing reports of human-rights abuses against Buddhists in Tibet, the remote and mountainous region that is usually off-limits to human-rights investigators.

China has long bristled at American criticism of its treatment of Tibet, which it annexed by force in 1951, and its irritation over the issue has grown in recent months with the release of two big-budget Hollywood films that depict Chinese atrocities against Tibetan Buddhists. Tibet has long sought greater autonomy from China.

The delegation, selected by the White House and the State Department, consists of the Reverend Doo Argue, president of the National Association of Evangelicals; the Most Reverend Theodore McCarrick, archbishop of Newark; and Rabbi Arthur Schneier of Park East Synagogue in New York, who is also president of the Appeal of Conscience Foundation.

The Chinese agreed during the summit meeting last October between President Bill Clinton and President Jiang Zemin of China to allow an American religious delegation to visit China, although the dates of the trip and the itinerary were not made public at the time.

Spokesmen for the White House and the State Department said the United States has still not received official confirmation from the Chinese government of the delegation's itinerary, although one official said that "it would be remarkable

at this point if they didn't visit Tibet."

A member of the delegation, speaking on condition that he not be identified, said the group had insisted on a visit to Tibet and that "we've been told by the Chinese officials that we're going to go definitely."

During the three-week visit, which is scheduled to begin Feb. 8, the delegation plans to meet with senior Chinese leaders in Beijing and press them to release imprisoned clergy, including several ranking leaders of underground Christian churches in China.

The treatment of Chinese Christians, especially evangelical Christians and Roman Catholics, has been a subject of growing concern to Christian leaders in the United States and members of Congress.

While the Beijing government permits Christian worship, it has imprisoned the leaders of churches not officially recognized by the Chinese government. The harsh treatment of Chinese Catholics dates to the 1950s, when the Communists expelled the last papal representative and set up a church under Communist control, the Patriotic Catholic Association.

Delegation members said they were hopeful that the Chinese government would allow them unrestricted access to religious leaders in China, including those in prison.

"The Chinese have to understand that if they want a long-standing relationship with the United States, it cannot be built on trade alone, and that there are strong religious communities in the United States with impact on American foreign policy," one of the organizers said.

While the trip is being arranged largely by the White House and the State Department, it will be paid for by groups affiliated with the religious leaders, not by any government.



Mr. Khatami, with Nawaz Sharif of Pakistan in July, has a message for U.S.

IRAN: Khatami Said to Seek Better Ties

Continued from Page 1

The State Department spokesman, James Rubin, said Tuesday that Washington was willing to open a dialogue. But he also said the administration would raise concerns about Iran's development of weapons of mass destruction, its support for terrorism and its opposition to the Middle East peace process.

Washington severed ties with Iran in 1979 after militants loyal to the revolutionary government of Ayatollah Ruhollah Khomeini stormed the U.S. Embassy in Tehran and took 52 Americans hostage for 444 days.

Resistance From Hard-Liners

Mr. Khatami's steps have provoked resistance from hard-liners, the Los Angeles Times reported earlier, most notably Ayatollah Sayed Ali Khamenei, the religious leader who last week sharply

dismissed any suggestion that U.S.-Iranian relations were on the mend.

Conservatives in Iran have never liked Mr. Khatami, and in recent days they have stepped up their criticism of any change in policy toward the United States.

Over the airwaves, at mosques and in newspapers they have declared that America remains the No. 1 enemy and that any talk of rapprochement is a fantasy.

"Any hands that reach out to America should be cut off," said the hard-line newspaper Jomhuri Islami.

A historian, Sadiq Zibakalam, said Mr. Khatami had been "under a lot of pressure from supporters and opponents of rapprochement."

Unless President Bill Clinton responds with "tangible and realistic signals," he said, it will be difficult for Mr. Khatami to overcome the resistance to improved relations.

BOTH: Facing Trial in South Africa

Continued from Page 1

"confession avoidance." It explained apartheid and the predicament faced by the government then, but did not suggest any guilt.

Several officials have said that Mr. Botha and other senior officials not only knew of abuses committed but also ordered them.

If he is found guilty of obstructing the commission's work, Mr. Botha could face two years in jail or a fine of indeterminate size. While he has refused to appear before the Truth Commission, his lawyers have assured Mr. Kahn that he will appear in court, the attorney general said.

The commission's mandate, which expires in July, is to investigate apartheid abuses, offer reparations to victims, confer amnesties to perpetrators in exchange for full disclosure and then patch together a comprehensive picture of the apartheid-era conflicts.

But the two living former presidents from that era — Mr. Botha and Frederik de Klerk — have been nearly impossible to pin down. Although he denied any knowledge of atrocities, Mr. de Klerk cooperated with the Truth Commission. But Mr. Botha has criticized it in the press and defied three subpoenas.

As president from 1984 to 1989, he led the State Security Council, which sat at the pinnacle of an elaborate security apparatus whose main goal was to maintain the apartheid state, which meant fighting those seeking black majority rule.

According to evidence submitted to the Truth Commission in private amnesty applications from senior security officials and from testimony presented publicly, that council's strategy included infiltration, bombing and assassination.

Among the allegations against Mr. Botha that have been publicly disclosed, a former South Africa police general, Johan van der Merwe, testified that the



Pieter Botha, facing prosecution.

former president gave the order for the bombing of the Johannesburg headquarters of the South African Council of Churches in 1988.

Eugene de Kock, a convicted murderer and former colonel who led a covert police hit squad, said during his trial in 1996 that Mr. Botha ordered the bombing in 1987 of the headquarters here of the Congress of South African Trade Unions, a labor federation.

And Magnus Malan, a former defense minister, told the Truth Commission during hearings on the State Security Council last month that Mr. Botha ordered raids across the border into Zambia, Botswana and Zimbabwe in 1986. During those raids, South African commandos killed several people, including children, suspected of involvement in the anti-apartheid cause.

BRIEFLY

Iraq Set to Resume Its Exports of Oil

BAGHDAD — Iraq will resume oil exports this weekend under the oil-for-food program approved by the United Nations, the oil minister said Wednesday.

The announcement was made a day after the UN approved Iraq's plan for distributing humanitarian supplies purchased with oil revenues. Iraq stopped exports last month pending approval of the plan.

Oil Minister Amer Mohammed Rashid said that the UN sanctions committee was expected to endorse the proposed oil pricing plan in 48 hours. The plan outlines Iraq's oil sales strategy during the third phase of the oil-for-food plan.

The Security Council approved the third phase of the program on Dec. 4, but Iraq refused to pump oil until its food distribution plan was approved. It also delayed oil sales at the start of the second six-month period last June.

On similar grounds, the program less Iraq sell \$2 billion in oil over a six-month period to buy food, medicine and other humanitarian goods. It is an exception from the sanctions imposed after Iraq's invasion of Kuwait in 1990. (AP)

Mexico Picks Woman As Foreign Minister

MEXICO CITY — President Ernesto Zedillo named Senator Rosario

Green as foreign minister Wednesday, making her the first woman to hold that post in Mexico, officials said.

She replaced Jose Angel Gurría, who was appointed to run the Finance Ministry on Monday. Announcing Senator Green's appointment on television, Mr. Zedillo said she had wide international and diplomatic experience, including spells as deputy foreign minister, ambassador to the former East Germany, Mexican representative at the World Bank and UN assistant secretary-general.

Senator Green said she had already asked for a leave of absence from Congress, where she represents the governing Institutional Revolutionary Party. (Reuters)

Kenyan Vote Protest

NAIROBI — Kenya's second-ranking political party said Wednesday that it would file a legal challenge to President Daniel arap Moi's fifth electoral victory.

"We will take Moi to court," Jackson Munyao, secretary-general of the Democratic Party, said at an opposition rally. He spoke in Uhuru Park in Nairobi, where Mr. Moi took the presidential oath Monday.

"Reject the election results," Mr. Munyao told at least 2,000 supporters. In contrast to past opposition events, no police officers were deployed to control the crowd.

Mr. Moi won the election with 40 percent of the vote. His nearest challenger was Mwai Kibaki, the Democratic Party's candidate, who gained 31 percent. (AP)

ROME: Killing Alarms Gay Community

Continued from Page 1

ago, said they had notified the police after he did not respond to knocking at his door and to phone calls. News reports said that a pornographic film was found in a video recorder and that tape marks on his wrists and neck appeared to indicate that he may have been engaged in some kind of sexual play when he died.

Police officials said that autopsy results showed that Mr. Sini Luzi died in the night between Sunday and Monday after his skull was crushed by a large, heavy object.

They said investigators were pursuing the likelihood of a gay murder, though they were not excluding other motives, including robbery.

National newspapers Wednesday published photographs of Mr. Sini Luzi, a smiling, bespectacled man, together with Pope John Paul II or standing in the Vatican clad in the black cutaway and decorations of a Gentleman of His Holiness, a select group of laymen, usually of noble background, who assist the Pope during audiences in the papal palaces.

Formerly known as papal chamberlains, they received their present title after the reform in 1968 of the papal court ceremonial under Pope Paul VI.

The Annuario Pontificio, a sort of Vatican handbook, lists Mr. Sini Luzi as having been in the volunteer papal service since April 1989.

The Vatican has not commented on the case.

The daily newspaper of the Italian Catholic bishops' conference, Avvenire, reported in a brief notice on Page 8 that Mr. Sini Luzi, whom it identified only as "E. S. L., a Roman nobleman," died earlier this week, presumably the victim of violence.

Gay rights leaders said it was precisely this sort of silence that fostered Italy's climate of anti-gay violence.

In a statement, the Arcigay group called on the Vatican to clearly condemn violence against homosexuals.

The Vatican has said that it does not condemn homosexuality but the practice of homosexual acts.

Mr. Grillini accused the Vatican and the Catholic hierarchy of creating a "homophobic atmosphere" that he said was "in large part responsible for this culture of violence."

Some members of Mr. Sini Luzi's family strenuously denied he was homosexual. "He was not a person of certain habits," Mr. Sini Luzi's brother, Lillo, was quoted as having said.

ALGERIA: Where Are the Peacemakers?

Continued from Page 1

not going to get anywhere." Algeria is a vast country, a regional power with important petroleum resources, one that most other states hope will prevail in its struggle against Islamic extremism, even while many have expressed concerns about the way that government is approaching the problem. Some observers say the government is a part of the problem, at least tacitly accepting the violence in hopes it will spur public rejection of the extremists.

Without the consent of the Algerian government, or of the extremists, for that matter, there is almost nothing the international community can do. "Unless it is willing to forcibly go in and make peace," said a former U.S. official involved in the Burundi peace-making effort.

Most other governments have generally supported the Algerian government and the elections it organized last year, though that support has begun to erode amid the continuing violence.

"I don't think anybody is advocating that we want to weaken the Algerian government," said Terrence Lyons, a specialist in conflict resolution at the Brookings Institution in Washington.

"We want to help it overcome the conflict, not to overthrow it."

Further complicating matters, the government with the longest, closest and deepest ties to Algeria's — France — is also one that many Algerians feel least disposed to listen to because of the long and bitter colonial past.

Other European countries, as well as the United States, have generally left it up to France to take the lead in the matter. The French, scorched by Algerian official reaction and fearful of the threat of terrorism on their own soil, as well as the prospect of an increasing flow of Algerian immigrants, have been wary of taking that lead.

Some of the international organizations with the closest links to Algeria, like the Organization for African Unity and the Organization of the Islamic Conference, have dealt with the problem gingerly if at all.

The UN Commissioner for Human Rights, Mary Robinson, has asked Algeria to allow an international inquiry team into the country.

During a meeting Tuesday with Washington's ambassador to Algiers, Cameron Hume, Algerian officials said they would allow a UN special rapporteur to pay a visit, the State Department spokesman, James Rubin, said. "That idea, as far as we know, has not been rejected by the Algerian government and it is still a possibility," he said.

Trib Tech

Coalition Last

Where Does Gates Want To Go Now?

Microsoft's Horizons Are Vast, but Regulators May Build Some Fences

By Steve Lohr
New York Times Service

NEW YORK — The bonny U.S. television commercials set to rock music show scenes of consumerism, happy people of all walks of life using Microsoft products. They end with the uplifting question: "Where do you want to go today?"

The ads speak of unlimited horizons, an apt sentiment coming from Microsoft Corp. The software giant has had another banner year of remarkable growth and profitability. It has expanded into new fields with investments in everything from cable television to voice-recognition software. Microsoft has \$9 billion in cash, no debt and ambitious plans.

Microsoft, it seems, can go just about anywhere it wants this year, unless the government stops it. The chances that the government might get in Microsoft's way, though still uncertain, have increased lately as antitrust officials at the Justice Department have aggressively pursued the company in court.

Where Microsoft decides to go, wherever it steps, has a ripple effect across the computer industry. Its wealth and market power are such that no start-up software company can even consider opening its doors without first hand-capping Microsoft's intentions.

Customers may complain about certain program features, but they keep on buying Microsoft offerings by the truck load. That is why Microsoft is one of the most admired companies in the world, why it has a stock market value that is more than three times that of General Motors Corp. and why its chairman, Bill Gates, is not only America's richest person but also a national hero to many.

So where is Microsoft headed? Microsoft executives and industry analysts talk of three trends.

First, the company wants to go further into the industrial-strength heart of corporate computing with its Windows NT operating system and server software. The buzz phrase Microsoft applies to this market is "high-performance network computing." The main corporate targets are Sun Microsystems Inc., Novell Inc. and International Business Machines Corp.

Jeffrey Raskes, Microsoft's vice president for sales and marketing, said: "In corporate America, the debate about switching to Windows NT has moved from 'if' to 'when' and companies are increasingly using Windows NT for what they used to use Novell and Unix for. That's a very positive trend for us."

Microsoft is also investing to extend its reach further into American households. Conventional PCs, even with prices for some models moving below \$1,000, are still costly for a mass-market device.

The new frontier for distributing Microsoft software is television, or some future variant of television. That explains Microsoft's purchase, for \$425 million, of WebTV Networks Inc., which developed technology for delivering Internet services to televisions.

Similarly, Microsoft's \$1 billion investment for a stake in Comcast Corp., the fourth-largest U.S. cable-TV operator, is intended to encourage cable companies to invest in upgrading their networks to handle Internet services.

"WebTV is the terminal device," said David Yoffie, a professor at the Harvard Business School, "and cable television is the connecting device — the high-speed conduit — for Microsoft driving itself into every living room in the United States and later in the world."

"This is an expansion of Bill Gates's original vision of Microsoft software on every desktop," Mr. Yoffie added. "Now, he's going for every home as well."

The beyond-the-PC move into the home, analysts say, is Microsoft's effort to extend its core software business in a major new market, just as Windows NT is taking the company deeper into corporate computing.

The third big trend at Microsoft seems to be a retooling of its media strategy, after heavy losses at its MSN on-line service. The emphasis, industry executives say, will now be more on on-line commerce, such as the company's popular Expedia travel site, and less on producing on-line programming.

The wild card in Microsoft's future is Washington — the government's antitrust challenges to its marketing practices. Later this year, a federal judge is expected to issue a final ruling on the suit alleging that the company is violating a 1995 consent decree. Microsoft, the government charges, is using its near-monopoly on computer operating systems to try to unfairly gain control over the market for Internet browsing software.

Microsoft has said it will push ahead with the introduction of the next version of its operating system, Windows 98, in the second quarter. It is sticking to that plan despite a judge's temporary ruling that the company must allow computer makers to separate the operating system from the company's Internet software.

In addition to the Justice Department suit, several state attorneys general are investigating Microsoft, as are antitrust officials in Europe. So far, the scrutiny has not curbed its product plans or marketing practices in any significant way. The only certainty on that front is that as long as Microsoft retains its grip in the market, the scrutiny will continue.



"Mistaken Identities, 1996," an interactive CD ROM created by Christine Tamblin.

The Emerging School of 'Cyber Art'

Information Technology Gives Birth to Cocktails of Images and Texts

By Paul Lewis
New York Times Service

NEW YORK — Technological advances and artistic innovation have always gone hand in hand.

Without the advent of slow-drying oils in the 15th century, Renaissance painters would not have turned to such subtle coloring and shadows. Without printing, professional novelists may not have emerged. Without certain instruments, some musical classics would not exist. Liszt could never have composed the "Années de Pélerinage" if the piano had not replaced the harpsichord.

Now a school of modernist artists is trying to create a new electronic art form based on the latest information technologies. Using digital imaging techniques and the worldwide Internet, these artists work with computers to mix cocktails of images, texts and sounds that are stimulating to ear, eye and mind, and are instantly available through the Web to an audience of millions.

What many of these "cyber artists" may not realize is that their work is the unlikely offspring of the Cold War. Most of the technologies they use — digital imaging and the Internet itself — were developed for military research and have only become readily available since the Cold War's demise as manufacturers seek new markets for them.

The growing popularity of cyber-art — which more than any other art form, some say, is dependent on technology — is leading some art historians to appraise the relationship between science and art. It is also spurring an examination of the impact of these new forms on artistic tradition and the audience.

In "Techniques of the Observer," a study of modern artistic vision, Jonathan Crary of Columbia University argues that the roots of the whole modernist movement — of which cyber-art is merely the latest example — lie in the science and technology of the early 19th century.

"In this book I have tried to give a sense of how radical was the reconfiguration of vision by the 1840s," Mr. Crary writes. "If our problem is vision and modernity, we must first examine earlier decades, not the modernist paintings of the 1870s and 1880s."

He cites such developments as medical research into the eye and the advent of such entertaining devices as the kaleidoscope, the magic lantern and the stereoscope, which created what he calls "subjective vision" and encouraged artists to see the world in new ways.

Turner and other painters experimented with light decades before Monet and the other Impressionists did. In the 1850s, the critic John Ruskin defined a new kind of artist when he urged painters to recover that "innocence of the eye" that would allow them to see objects "as a blind man would see them if suddenly gifted with sight."

The impact of information technologies on the art world is even more revolutionary, Mr. Crary says. He argues that cyber-art represents "a transformation in the nature of visuality" probably more profound than the break that separates medieval imagery from Renaissance perspective.

No longer is the artist an "observer" seeking to depict an external reality from a fixed point in space. Instead he is creating images that exist only in electromagnetic form, have no fixed relationship to him in space, yet can be seen simultaneously by the whole world.

HISTORY is filled with examples of new technology that enabled new art forms to develop while vastly widening the audience. Printing created the best-seller — first the Bible, eventually the novel. Lithography, an inexpensive printing process that also permitted wide distribution, brought art out of palaces and galleries and into ordinary homes.

But if science is often the leader, it is

also led: Sometimes esthetic needs are the motor of technological invention. French hydraulic engineers developed techniques to supply fountains at Versailles, not to bring clean water to Paris. And the oxygen blowtorch of today is the direct descendant of the blowpipes used for centuries to make glass ornaments.

In a 1970 essay, "Art, Technology and Science," Cyril Stanley Smith of the Massachusetts Institute of Technology offered examples of new technologies that developed first in what he termed "an esthetic environment."

He theorizes that the first use of metal, in the fourth millennium B.C., was for decorative buttons. Bronze was cast as church bells for centuries before it was used for cannons. Medieval illuminators developed metallic powders for the silver and gold ink they used.

Art scholars argue that the new "global information culture" has tremendous implications for artists and their audiences. Barbara Stafford, an art historian at Chicago University, says cyber-art will "change the structure of the art world" by allowing "anyone to make art and show it to the world."

For Ronald Jones, director of the Digital Media Center at Columbia University, the emergence of cyber-art shows that "our culture is embracing information as a medium for the artist to work with," with far-reaching implications.

Artists are becoming technicians again as they were in Renaissance days, he said, because they must learn to write software and operate the more sophisticated computers. They are rethinking relationships with audiences they never see. And they are forced to reconsider the nature of originality by working in a medium that permits infinite reproduction and distortion of any image.

Still, there is an undercurrent of dissatisfaction with the quality of the cyber-art so far. "I'm struck by the similarity of the images," Ms. Stafford admits.

"It's art all right, but we have not yet seen a great computer artist," says Robert Storr, curator of painting and sculpture at the Museum of Modern Art. So far, he said, "these artists still seem more interested in the technology itself and not in what it could express."

SITES

Some cyber-art sites on the Internet:
• The Cooper Union for the Advancement of Science and Art is at: <http://www.cooper.edu>
It has a special multimedia art exhibit called techno.seduction at: <http://www.cooper.edu/art/techno>
• An exhibit of Christine Tamblin's work: <http://lmah.lehman.cuny.edu/tbl/Centertamblin.html>

ALT /Commentary

Seeking Internet Center For Europe and Asia

U.S. Companies Look for City With Savvy

By Victoria Shannon
International Herald Tribune

PARIS — Quick: Which capital city holds the title of the center of the Internet in Europe? How about in Asia?

O.K., here's an easier one: Which city would like to be seen that way? The answer is, of course, most of them.

That is what Jeff Richards, executive director of the Interactive Services Association based near Washington, is finding. His organization, a leading U.S. Internet trade group, wants to establish both European and Asian offices this year.

Perhaps like other Internet concerns from the United States, his early inquiries have not helped to narrow the field much. Mr. Richards's short list in Europe includes Amsterdam, Berlin, Brussels, London and Paris. In Asia, under consideration are Hong Kong, Kuala Lumpur and Sydney. The right location has that hard-to-define, just-so mix of culture, creativity, commerce — and Internet savvy.

The ISA, which promotes Internet public policy issues on behalf of its members, already has international companies on its roster, such as NTT Chubu Directory of Japan; Telecom Finland; Alcatel Business Systems of France; Deutsche Telekom AG of Germany; and Star Publications of Malaysia.

Many of the rest of its 350 members are big-name brands familiar to Internet users the world over: Microsoft, America Online, AT&T, Intel, MasterCard.

"We want to work with companies to build the confidence and trust necessary to make the Internet a mass-market medium," Mr. Richards said. "That's not a U.S.-centric goal."

Indeed, with use of the Internet burgeoning outside the United States and hot-button issues like privacy, taxes and copyrights being pushed by governments worldwide, Mr. Richards and his board are naturally eager to establish influence there.

But where? It certainly would not mean much in business terms to land the ISA office; total staff might be all of a person or two. And the amount of prestige hooking the ISA would bring is in the eye of the beholder. Counting loosely, about 30 U.S. groups claim to represent the interests of the Internet in some fashion.

If the major criterion is proximity to governments, Geoffrey Yu suggests Geneva. Mr. Yu is director of the office of global communications at the World Intellectual Property Organization, which long ago left Bonn to be near the United Nations' outposts in Geneva.

"It's a natural for nongovernmental organizations that need easy access to world policymakers," he said. "In the European context, it would have to be between Geneva and Brussels."

But Mr. Yu wonders whether it matters where. "Personally speaking, isn't the nature of the Internet such that you could be located anywhere?"

Yes, but Mr. Richards needs access to clout as well as access to coolness. At this preliminary stage, Mr. Richards said, the conversations with

European business and city leaders have had three common links.

One is emotional. "Everybody is rushing to be the hot Internet city. They want to be where it's happening. It was, 'Come help us ignite the heat here — we're going to be 'the place,'" he said.

The second theme is geography. Even if a city is not yet the emotional center, geographically it is close to the New Europe emerging under monetary union — near the seat of European Union government. Of course, Brussels sort of has that one locked up.

The third thread is educational. City officials and business leaders are looking for guidance on making smart Internet policy. Mr. Richards said, and they think the ISA can provide it. They want to figure out how to intelligently protect the Internet, its consumers, the businesses that want to make money — as well as their national interests — and they see the Interactive Services Association as a tool in that quest.

In particular, Elmar Pieroth, economics minister in the Berlin government, grilled Mr. Richards about what qualities made up a Silicon Valley, how to create a hip, in-the-know geek culture that would attract Internet business, he said.

If Mr. Richards knew that magic recipe, he could create his own European headquarters from scratch. But it's not quite as easy as tossing together a few college campuses, throwing in a pinch of creativity and mixing well with commerce. The formula is undoubtedly as ambiguous, ambitious and anarchic as the Internet itself.

It is also not clear that there needs to be a single geographic center. The soul of the Internet, internationally, will remain in its ether.

Still, the ISA needs a place to hang its hat abroad, a home base from which to influence national and international policy from the ground up — no easy task.

"I've done enough business outside the country to not take much for granted," Mr. Richards said about the prospects of lobbying across the Atlantic.

But Mr. Richards would be grateful if the ISA and some savvy. A mid-sized association with a \$2.5 million budget, the ISA could conceivably balloon this year into a \$10 million association, he said. Last month, it merged with another trade group, the Online Professionals Association.

In the end, it may not matter whether any European capital city claims to be the cultural core of the Internet. The draw of the seat of government may be too much for any other city to overcome. Because of the EU, Mr. Richards concedes, Brussels has something no other place can offer.

Victoria Shannon can be e-mailed at vshannon@aol.com.

SITES

Here are related sites on the Internet:
• The Interactive Services Association is at: <http://www.isa.net>
• The World Intellectual Property Organization is at: <http://www.wipo.org>
• A multilingual welcome site to the European Union is at: <http://europa.eu.int/>

Companies Begin to Come to Terms With 'Millennium Bug' Panic

By Saul Hansell
New York Times Service

NEW YORK — For several years, technological doomsmongers have bleated a dark prophecy of computerized chaos to be brought on by the inability of many computers to interpret dates after 1999. Repair your programs now, they intoned, or be prepared for your systems to freeze in millennial ice. Though it has been hard to know how seriously to take these predictions,

with less than two years to go, clues are emerging. Much of the evidence supports the view that the year 2000 problem is, indeed, a big deal, and computer users are slowly coming to this realization.

A recent survey of 106 technology managers and big companies by Cap Gemini SA, a French software consulting firm, found that four out of five had initially underestimated the cost of fixing the problem. And 7 percent have already had computer failures related to the problem.

"A lot of companies, when they found out how

big the problem was, just went into a caustic state," said Jim Woodward, the head of Cap Gemini's year 2000 practice.

Cap Gemini and many other companies that had hoped to profit from selling year 2000 repair services have found business to be slower than they had predicted. Last year, Mr. Woodward said, "was a missed opportunity for many companies to have their work done at a lower cost."

"You can read this two ways," said Edward Yardeni, chief economist of Deutsche Morgan

Grenfell, who has warned of a global economic slowdown from computer errors. "Either there hasn't been enough recognition of the problem, or it's not really such a big deal. I pick door No. 1."

That is not to say that some companies are not worried. BankAmerica Corp. has established two bonus pools: \$30 million to be shared by those among its 600 computer experts who stay with the company and see the dawn of the millennium through, and \$50 million that is open to all other employees who help spot impending bugs.

TECHNOLOGY INDEX			
A glance at technology stock indexes around the world			
North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	295.56	+1.72	
Standard & Poor's Technology Composite	716.38	+2.35	
Europe			
Morgan Stanley Eurotec	454.61	+1.58	
Asia			
Topix Electric	1686.17	+2.55	

Sources: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihf.com>. Articles include:

- IBM to Shun Computer-Industry Trade Show Dec. 31, 1997
- Beijing Tightens Controls of 'Hamlet' Internet Use Dec. 31, 1997
- Judge's Ruling Reverses Telecom Law in Favor of Regional Bell Jan. 2, 1998
- Siemens Sets Deal With Motorola Jan. 2
- EU Phone Market Open? German Users City Foul Jan. 3
- When the Calendar Short-Circuits a Sale—Year 2000 Computer Problem Jan. 3
- Europe Has Updated Equipment to Deal With Millennium Problem Jan. 3
- Tech Talk: Silicon Valley's Original Lesson Jan. 3
- Forget James Bond: The New Interpol is the Real Thing Jan. 3
- New Mission to the Moon: U.S. Craft to Prospect for Natural Resources Jan. 4

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihf.com.

• **ON-LINE IN GERMANY:** America Online Inc. said Wednesday it planned to expand its on-line network in Germany and promote it with a large television advertisement campaign.

AOL Bertelsmann Online GmbH, a venture with Bertelsmann AG, said it would introduce a single access number for its service early this year that would enable the company's 800,000 German subscribers to log on for the cost of a local phone call.

Before telephone industry deregulation took effect Jan. 1, only T-Online could offer a single access number because it was controlled by Germany's monopoly phone carrier, Deutsche Telekom AG. (Reuters, Bloomberg)

• **CLOAK AND MOUSE:** For some time, the Central Intelligence Agency has kept a "frequently asked questions" list on its World Wide Web page. One question is "Does the CIA spy on Americans? Does it keep a file on you?"

The answer has been loud and clear: "No. The Central Intelligence Agency is expressly prohibited by executive order from doing those things."

The Center for National Security Stud-

ies, a U.S. civil liberties group, argued that the agency's assertion wasn't true and that the CIA kept files on its client, Daniel Tsang, a political activist and librarian at the University of California at Irvine. So the group wrote the agency in November asking it to correct the site.

The agency called the center and gave a new answer on spying on Americans: "The CIA is specifically prohibited from collecting foreign intelligence concerning the domestic activities of U.S. citizens," the new answer reads. "Collection is allowed only for an authorized intelligence purpose; for example, if there is a reason to believe that an individual is involved in espionage or international terrorist activities."

So there you have it: The agency will never, ever spy on you — unless it really feels it should. (WP)

• **SYSTEMS CHECK:** Dreams are often filled with strange images that trigger strong emotions. Now, new research offers clues about how — and possibly why — the brain generates nightmare reveries.

Researchers at the National Institutes of Health and the Walter Reed Army

Institute of Research in Washington used "positron emission tomography" scans to determine precisely which parts of the brain became active in 10 men while sleeping.

During "rapid eye movement" sleep, when most intense dreaming occurs, activity occurred in the more primitive parts of the brain like the limbic system, which is known to modulate emotions and long-term memories. At the same time, areas like the prefrontal cortex, which is involved in "higher-order" mental processing, remained shut down, according to a report in the journal Science.

The findings help explain why dream-world images are often so bizarre, nonsensical and laden with emotions, says Allen Braun of the National Institute on Deafness and Other Communication Disorders, one of the researchers.

Dream sleep may be a "systems test" designed to check if the more advanced parts of the brain are ready to awaken. And dreams themselves may be merely the brain's efforts to make sense of this activity, says Thomas Balkin, a researcher. Whether the images have meaning remains the province of poets, philosophers and psychologists. (WP)

٥٤١٠٠

OPINION/LETTERS

A U.S. Budget Surplus? Use It to Pay Down Debt

By David S. Broder

WASHINGTON — No one can accuse official Washington of lacking a sense of humor, not when the politicians and pundits are falling over each other arguing about what to do with the unexpected budget surplus.

The remarkable discovery that the Treasury took in \$2.5 billion more in revenues in the last 12 months than it spent was followed Monday by President Bill Clinton's announcement that he will submit a balanced budget for fiscal 1999. The prospect of a surplus has unleashed a cascade of talk about new tax cuts or more spending (or "investments," as the White House prefers to say).

Suddenly forgotten is the fact that we Americans have amassed \$5.5 trillion in debt, almost four-fifths of it in the 1980s and 1990s, and the last trillion during the supposedly frugal Clinton years.

Conveniently overlooked, too, are the \$14 trillion of unfunded obligations for the retirement and health care benefits of the baby-boomer generation, now just 10 years away from starting to impose its unprecedented burdens on its children and grandchildren.

Newt Gingrich, the House speaker, is arguing for cutting taxes "every year" as long as the budget is in the black. President Clinton is proposing "targeted" tax cuts.

All of this suggests that spoon-feeding money to voters in an election year is more appealing to many in Washington than telling the public the truth: After the profligacy of the last two decades, we face years of sucking in our fiscal gut if we are going to be in shape to finance the "boomer" golden years without another explosion of debt.

Mr. Clinton deserves credit for recognizing at the very beginning of his presidency that the reckless pattern of previous years could not continue.

He and Treasury Secretary Robert E. Rubin (then running economic policy on the White House staff), working closely with Federal Reserve Chairman Alan Greenspan, took the substantial political risk of pushing through a budget in 1993 that set the path toward this intoxicating day of deliverance from deficit financing.

In 1993, Republicans, to their discredit, fought Mr. Clinton every step of the way. But when they took control of Congress in 1994, they reversed their stance and applied further pressure toward eliminating the red ink.

The remarkable run of inflation-free economic growth we have been enjoying is something for which both parties can claim credit.

But it would be foolish to relax



now that a nominal balance is in sight. Keeping that balance is important. It is not, as some say, a meaningless accounting trick. This year, we are spending about \$250 billion in interest on the national debt. One out of every seven dollars in taxes goes simply to pay off the bondholders.

That money is diverted from medical research, military preparedness, upkeep on the national parks and all the other things the federal government does. Those tax dollars truly are being squandered.

As anyone with a credit card knows, the interest on unpaid debt compounds quickly, which

is exactly what has been happening to the country during these reckless years.

Wise policy would use any budget surplus first to start paying down the national debt, thus capturing the effects of compounding for the benefit of future generations. Every \$1 billion taken off the debt in 1998 saves many times that amount in interest payments over the coming decades.

The United States does not have to wait until the debt is completely eliminated before people begin to enjoy tax cuts or benefits of additional government spending in important areas. As the debt shrinks relative

to the size of the overall economy, it becomes less and less of a tax on the current generation.

But simple prudence suggests that debt reduction be given priority at least until agreement is reached on how we will finance the inevitable demands of the boomers' retirement and health care needs.

Squandering the supposed budget surplus on either tax cuts or new government programs would be worse than punting the cart before the horse. It would be this generation saying to the next: We're getting ours, and the bell with you.

The Washington Post

Class Fatalism Pervades Old-Fashioned 'Titanic'

By Steven J. Ross

LOS ANGELES — For all its money and modern technological wizardry, "Titanic" is an extremely old-fashioned movie that reinforces conservative ideas about the inevitability of class hierarchy and class injustice in America.

Its approach to class relations, in fact, is remarkably similar to the seemingly liberal but ultimately

portray working people as salt-of-the-earth types who frequently best their so-called "betters." This is evident in "Titanic," where scenes show the working-class artist Jack Dawson triumphing over wealthy Cal Hockley in dinner conversation and in winning Rose DeWitt Bukater's love.

Yet beneath the liberal veneer of "Titanic" and cross-class fantasies of the 1920s are highly conservative attitudes toward class relations. Mr. Cameron concedes a sense of moral superiority to his blue-collar protagonists — but in the end it is the rich who triumph, while the poor return to their "proper" place.

Unfortunately, in "Titanic," that place is at the bottom of the sea. Most of the working-class passengers perish while the rich survive. What sort of triumph is that? There is a fatalism at work in "Titanic" that suggests this is the way it was and always will be: there is nothing anyone can do to remedy the situation in which the so-called inferior class constantly is oppressed by the superior class. It is this sense of class despair and defeat that makes "Titanic" politically conservative.

Could "Titanic" have been any different? Sure. If working-class people are the better in the film, then let the rich die and the poor survive.

But this still would not change the film's basic class pessimism. To do that, Mr. Cameron and his peers would have had to learn from earlier filmmakers who told audiences that nothing was inevitable and offered them visions of how things could be different.

Rather than simply acknowledge the inequalities of wealth and power in society, their movies offered blueprints for change. They depicted a unified working class using strikes, unions and third parties to transform a nation. In an era of growing poverty and corporate downsizing, these are movies worth telling again and again.

The writer, a University of Southern California history professor, is author of the forthcoming "Working-Class Hollywood: Silent Film and the Shaping of Class in America." He contributed this column to the Los Angeles Times.

MEANWHILE

reactionary cross-class fantasy films that accompanied the rise of the Hollywood studio system in the 1920s.

In 1912, when the real Titanic went down, movies were far more concerned with portraying the genuine hardships of working-class life than at any subsequent time in cinema history.

Immigrants and blue-collar workers — ostensibly the heroic figures of "Titanic" — composed the bulk of the nation's movie audiences. Filmmakers appealed to them by turning out hundreds of liberal and radical movies that showed workers, unionists and socialists defeating employers, solving the problems of the day and achieving justice for all.

Far from arguing a new era of liberalism, the rise of Hollywood pushed American films in increasingly conservative directions.

As studios attempted to attract greater numbers of prosperous middle-class viewers, movies about conflict between the classes were superseded by cross-class fantasy films — telling stories of poor boys marrying rich girls, or rich boys marrying poor girls, and emphasizing love and harmony among the classes.

Presenting a point of view that fit well into the conservative Republican politics of the day, cross-class fantasies of the '20s stressed acceptance rather than change, and suggested that love — not political action — was all one needed to achieve happiness. These films helped legitimize the class inequalities that dominated American life.

Focusing on romantic involvements between upper class and working class, these fantasies frequently spotted a populist rhetoric that fed into public hostility toward the elite classes.

Mr. DeMille and his modern-day counterpart, James Cameron,

LETTERS TO THE EDITOR

Bread and Circuses

Regarding "Europe and U.S. Culture" and "American Culture" (Letters to the Editor, Dec. 19 and Dec. 24):

The writers responding to Richard Pells's "Cinema Verité in Europe: Rejecting U.S. Culture" (Opinion, Dec. 16) must also have read "The Makeover of Gerald" and "Just Ask Him" (Features, Dec. 16) and "The Entertainment Coup" (Opinion, Dec. 18).

Europeans who reject U.S. culture, one letter writer said, have a "fundamental distrust of America's mercantile economy, which idolizes the creation and accumu-

lation of wealth while redefining the value of human achievement in purely financial terms."

As a historian observing America, I can't help but be reminded of the plebeians of Imperial Rome clamoring for bread and circuses — which can be projected into our times as welfare and professional sports. Those were the declining years of the Roman Empire.

WOLFGANG KAUPICH, Montes de Alvor, Portugal.

Global Warming

Regarding "Beware of Popular Enthusiasms" (Opinion, Dec. 9) by Charles Krauthammer:

Mr. Krauthammer criticizes as "inflexible and intolerant" those scientists and ecological activists who warn about global warming.

Scientists cannot predict the future. Their results and analyses are almost necessarily vague and the results of their experiments variable according to the models used. Mr. Krauthammer should therefore not dismiss global warming as merely the erratic view of some misled and misleading scientists.

Mr. Krauthammer seems to think that warnings about global warming are only propaganda and to feel that politically motivated forces are out to destroy the West's comfortable lifestyle.

What about technologies that have improved the living conditions of many people but have also preserved natural resources? It is possible to act against global warming without wrecking the "good life."

SVEN KALBITZER, Disseldorf.

Americans and Death

Regarding "Let's Drop the Jargon of Efficient Mourning" (Meanwhile, Jan. 7) by Ellen Goodman:

One of the most difficult things about incorporating my deceased son's life into my own after his

death six years ago is dealing with the reluctance of others to allow me to mention him in conversation.

Unlike American friends and family, Irish friends I have met since my 1992 move to Ireland allow me to talk about him and even tell me they feel they know him. Mention of my son's name to American friends and family causes withdrawal and silence.

The Irish accept that death is part of life, unlike Americans, who have a penchant for emotional efficiency and a desire to live forever.

JEANETTE F. HUBER, Minneapolis.

BOOKS

JOHANNES BRAHMS

Life and Letters

Selected and annotated by Syra Avins. Translations by Josef Eisinger and Syra Avins. Illustrated. 386 pages. \$49.95. Oxford University Press.

JOHANNES BRAHMS

A Biography

By Jan Swafford. Illustrated. 723 pages. \$35. Alfred A. Knopf.

Reviewed by James R. Oestreich

MAYBE it was because of the big Brahms year just past, with the 100th anniversary of the composer's death, came too soon after the one before, 1983, with the 150th anniversary of his birth, and there just wasn't that much new to say. Whatever the reason, performances concentrated mainly on the familiar masterpieces, yielding few revelations. And now two books bringing down the curtain offer mostly material that has long been available, though not necessarily in English.

Jan Swafford, a composer and the author of the acclaimed "Charles Ives: A Life With Music," presents a sprawling portrait of Brahms heavily based on earlier publications, from the biographies of Max Kalbeck (1904-14) and Florence May (1905) to recent studies, all liberally interpreted. Syra Avins, a cellist and teacher, serves up a rich compilation of Brahms correspondence, mostly the com-

poser's own writings, in translations carried out with her husband, Josef Eisinger, a retired professor of physiology. The books duplicate each other substantially, and much of the material in both will be familiar to Brahmsians on any level. Yet nonspecialists will find at least one revelation, which calls into question a beloved bit of Brahms lore, and it comes early in Avins's book.

"Even if Brahms himself speaks of having 'played the piano at night in bars,'" Avins quotes the German scholar Kurt Hoffman as having written, "it is out of the question that these were respectable saloons."

Set alongside Swafford's book, this seemingly innocuous claim is little short of a bombshell. It challenges the notion, established by Kalbeck and still widely accepted, that Brahms, for several months, beginning before his 13th birthday, was forced by his ignorant, impoverished parents to play piano through the night in brothels near the docks in his native Hamburg.

"Not only is there no evidence that Brahms played in low-class dives of the sailors' quarter," which was in the outlying area of St. Pauli, while Brahms lived in the city near the Alster Pavilion, Avins writes, "there is also no evidence, only perpetuated rumor, that Brahms played anywhere at all before he was 14 years old."

What makes the point significant is that Swafford, like others before him in varying degrees, sees this supposed bit of biography as a corner-

stone of Brahms's personality, aloof, misogynistic and often crude, and presents it as a recurring theme. "The effects... on him were deep and indelible," Swafford writes. "The abuse he suffered in dives was a kind of tragedy; it created a dangerous fissure in his psyche.... In ways both clear and unsearchable, the Singing Girls marked and molded what he became, and so molded his art."

Or not. The Hoffman quote, along with other information suggesting that the setting of Brahms's childhood was far less squalid and impoverished than commonly thought, comes from Hoffman's book "Johannes Brahms and Hamburg," as issued in 1986. Swafford's failure to address this material, though his bibliography lists a Hoffman opus from 1993, is a devastating lapse.

Still, Swafford proves an interesting guide through Brahms's life. And his penetrating eye finds undercurrents in the correspondence that elude Avins: mounting tensions in the relationship between Brahms and Robert Schumann's widow, Clara, for example, even before they broke off their romance.

Swafford does not go easy on his subject. He lays a heavy responsibility on Brahms in relation to the death of the addled Robert Schumann in 1856. Schumann spent more than two years in an asylum following a suicide attempt, and Swafford suggests, be settled on a course of slow starvation after, among other things, a "too candid" letter from

Brahms in late 1854, lamenting Clara's absence on a performing tour as pianist.

In addition to substantial discussions of Brahms's music (seldom demanding much technical knowledge of the reader), Swafford provides a rich historical context. His analysis of Brahms's performing career as pianist and conductor is especially fascinating, pointing up areas pertinent to the concert scene today.

But some of the book's length results from sheer unnecessary repetition, and the production strains at the seams with, among other things, wholesale mismanagements of footnotes.

The length of Avins's book is better justified by her welcome inclusiveness. Under her ministrations, Brahms reveals himself in workaday as well as transcendent moods. He is, as always, a bundle of contradictions: gruff and tender, mean-spirited and magnanimous, lonely and independent, reactionary and progressive, petty and grand.

To preserve his own voice as much as possible, the translations try to retain the rough edges of his careless prose style, perhaps to a fault. Clunkiness does not translate literally from one language to another any more than elegance does.

AVINS's own contributions are terse and often illuminating. Although she could not hope to provide a complete biography in the interstices, she supplies fascinating illustrations, a helpful chronological table and other tools.

Still, the reader does not always know where to expect explication of obscure references in the letters: whether in the text preceding or following, in footnotes on the page or additional notes at the back of the book, or in the section of biographical sketches.

In all biography, uncertainties, ambiguities and mysteries abound. In the case of Brahms, such problems are multiplied. He systematically destroyed not only his inferior works and the early traces of his published ones but also letters and other documents, all with the purpose of covering his tracks and confining the historical record to whatever his finished music might have to say.

Happily, the two books together give a pretty thorough picture of what escaped his vandal grasp.

New York Times Service

BRIDGE

By Alan Truscott

THIS year the Eastern Regional Championships, normally in Manhattan, were played in Connecticut. Thirty years ago it was the other way round: the Long Island Regional Championships were played in Manhattan. On that occasion, John Percy found himself playing the South cards in seven diamonds redoubled. Notice that seven no-trump would have succeeded, but seven hearts would have been defeated by an immediate diamond ruff.

The opening club lead gave South an unimportant trick, and he won in dummy with

the 10. He led the diamond jack and was not particularly surprised when East proved to have five trumps. The only hope, a rather poor one, was that East would be able to follow to two more rounds of clubs and three rounds of hearts.

Accordingly Percy cashed two club winners and three heart winners, breathing a sigh of relief when East was unable to ruff. South threw two spades from dummy on the clubs, cashed the spade ace and continued hearts. Whether East ruffed or not did not matter. He was helpless in the face of the impending crossruff and the redoubled grand slam was made.

NORTH			
♠ A98			
♥ K10943			
♦ KJ106			
♣ 10			
WEST			
♠ QJ10832			
♥ 78			
♦ —			
♣ J8532			
EAST			
♠ K7			
♥ 10J85			
♦ —			
♣ 87432			
♠ 764			
SOUTH (2)			
♠ 54			
♥ AQ2			
♦ AQ85			
♣ AKQ			
Both sides were vulnerable. The bidding:			
South	West	North	East
1♣	Pass	1♥	Pass
2♣	Pass	3♣	Pass
3♥	Pass	4NT	Pass
5♣	DBL	5NT	Pass
6♦	Pass	7♦	DBL
Pass	Pass	Redbl	Pass
Pass	Pass	Pass	Pass
West led the club three.			

DO YOU LIVE IN THE UK?

- Subscribe and SAVE up to 53% off the cover price.
- Also available: PAY MONTHLY by easy, low cost, direct debit.

HAND DELIVERY IN CENTRAL LONDON & PARTS OF THE SOUTH EAST.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In Central London and parts of South East England, the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday*.

The result? Unique coverage of the world you live in, brought to you as it changes — daily.

*Monday through Friday outside Central London. Postal subscriptions are available throughout the UK on the day after publication.

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Unit: TOLL FREE: 0800 895 965 or Fax: (171) 240 34 17 — E-mail: subs@iht.com — Internet: http://www.iht.com

YES, I'd like to subscribe and have my bank account debited monthly by £17. Please start my subscription and send me a bank form to arrange my payment.

YES, I'd like to subscribe and pay for the following term:

- 12 months (+ 2 months free): £210 (Saving off cover price: 36%)
- Special, 2-month trial subscription: £22 (Saving off cover price: 53%)

My check is enclosed (payable to the IHT)

Please charge my:

- Access
- Amex
- Diners
- Eurocard
- MasterCard
- Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No: _____ Exp: _____

Signature: _____

Please start delivery and send invoice.

Family Name: _____

First Name: _____

Job Title: _____

Mailing Address: ☐ Home ☐ Business _____

Postal Code: _____

City: _____

Tel: _____ Fax: _____

E-Mail Address: _____

Your VAT No (Business orders only) _____

(IHT VAT No: 747 320 211 28)

I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other

☐ I do not wish to receive information from other carefully screened companies.

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to: Delphine Prinselaar, International Herald Tribune, 63 Long Acre, London WC2E 9JH. Fax: (171) 240 34 17 E-Mail: subs@iht.com UK14

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST & AFRICA: Tel: +33 1 41 43 93 61 Fax: +33 1 41 43 92 10

THE AMERICAS: Tel: (USA toll free) 1-800-882-2884 Fax: +1 212 755 8785

ASIA: Tel: +852 29 22 11 71 Fax: +852 29 22 11 99

Globaleyes



Global markets, global communications, global technologies... the trend seems to be to globalize pretty well everything.
So how on earth do you keep on top of daily developments? Through the global eyes of the International Herald Tribune.

THE WORLD'S DAILY NEWSPAPER

Ads: They're

Jingle Rules Out

ota's Camry L

CURRENCY

دکتر محمد صالح المنجد

Compiled by Our Staff From Dispatches

The Dow Jones industrial average closed at 7,902.27, down 3.98 points. Earlier in the day the 30-point average fell more than 130 points. The Standard & Poor's 500-stock index finished down 2.31 points. The Nasdaq composite index closed at 1,561.70, down 18.44 points.

-was roaring, investors stepped up to strength. (Bloomberg, AP)

NATIONAL FUTURES

Dec 90	95.82	95.78	95.81	+0.03	27,791	DJ Futures	173,330	1,748,201
						CRB	167,278	1,401,251
Est. sales: 28,442							226.66	226.43
Open int.: 255,071 up 999.								

3-MONTH EURUSD (LIFFE)
 (TL 1 million - pts of 100 pc)
 Jun 90 94.85 94.61 94.61
 Mar 90 95.36 95.37 95.37

+0.01 151,636

The London Metal market and LIFFE was closed Friday for a holiday.

Sources: Matti Associates Press, London Int'l Financial Futures Exchange

U. S. STOCK MARKET DIARY

Indexes Most Actives

1 - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.

High	Low	Latest	Chge	Opint	High	Low	Latest	Chge
------	-----	--------	------	-------	------	-----	--------	------

000 - pbs of 190 pct					Open bid: 250,077 Up 99%
105.61	105.48	+0.13	221,732		
104.95	104.90	+0.13	1,683		
3-MONTH EUROJURA (LIFFE)					
ITL 1 million - pbs of 100 pct					
Mar'98	94.65	94.61	94.61	+0.01	1
Jun '98	95.36	95.32	95.32	+0.01	1

Close | Stock

[illegible]

Sales figures are unofficial. Yearly high current week, but not the latest trading percent armore has been paid, the year

- stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.
- **dividend yield rate (s)**
 - = annual rate of dividend plus stock dividend
- **liquidating dividend**
 - = **PE exceeds 99**
 - **PE exceeds 99**
 - **new yearly loss**
 - **loss in the last 12 months**
 - **dividend declared or paid on preceding 12 months**
 - **annual rate, increased on last declaration**
 - **dividend in Canadian funds, subject to 5% non-residence tax**
 - **dividend declared after split-up or stock dividend**
 - **dividend paid this year, collected deferred or on order from a dividend trustee**
 - **dividend declared or paid this year, on accumulation issue with dividends in arrears**
 - **annual rate reduced on last declaration**
 - **new issue in the past 32 weeks**: The trading price begins with the start of the high- or low-day delivery.
- **initial dividend, annual rate unless P/E - price-earnings ratio**
- **closed-end mutual fund**
- **dividend split**: Dividend paid in preceding months plus stock dividend in preceding months plus stock dividend begins with do split.
- **sales**
 - **dividend paid in stock in preceding months estimated cash value on an dividend or ex-distribution date**
 - **new yearly high**
 - **trading below**
 - **in bankruptcy or recapitalization or reorganized under the Bankruptcy Act**
 - **declared by stock company**
 - **when distributed**
 - **when issued**
 - **without warrants**
 - **ex-dividend or ex-rights**
 - **ex-distribution**
 - **without warrants**
 - **ex-dividend and sales in full**
 - **sales in full**

COCOA (DHSK)				UNITED STATES			
10 metric tons per ton							
Mar 98	1416	1381	1614	+7	35596	Mar 98	11248 1/2
May 98	1568	1617	1614	+25	22297	May 98	11523 1/2
Jul 98	1614	1650	1672	+25	53991	Sep 98	
Aug 98	1670	1670	1672	+25	53991	Est. value	117403
Dec 97	1729	1729	1729	+28	8111	Tons open at 388	
Dec 97	1729	1729	1729	+28	8111		
Est. value 4791 Tons open	14400					US TREASURY 98	
Tons open at 196543, off 20						Mar 98	12500 1/2
						Jun 98	1220 1/2
						Dec 97	1210 1/2
						Dec 97	1214 1/2
COFFEE C (DHSK)				UNITED STATES			
27580 lbs per ton							
Mar 98	15810	15810	16310	+0.70	17018	Mar 98	511000
May 98	16010	16450	16310	+0.70	17018	May 98	511000
Jul 98	16010	16450	16310	+0.70	17018	Jul 98	511000
Sep 98	16010	16450	16310	+0.70	17018	Oct 98	511000
Dec 97	16010	16450	16310	+0.70	17018	LONG HILL CLIFF	
Est. value 14795 Tons open	16375					\$250000, no 2 cups	
Tons open at 26773, off 454						Mar 98	16720 1/2
						Est. value	79999
						Est. value	79999
SUGARWORLD 11 (DHSK)				GERMANY GOV. 98			
112000 lbs per ton						Mar 98	95254
Mar 98	11184	11184	1183	-0.14	25248	Dec 97	95254
May 98	11184	11184	1183	-0.14	25248	Dec 97	95254
Jul 98	11184	11184	1183	-0.14	25248	Mar 98	10267 1/2
Dec 97	11184	11184	1183	-0.14	25248	Est. value	191332
Est. value 24088 Tons open	15141					Prev. open at 25	
Tons open at 196715, up 2,433							

and

[illegible]

Est. sales 68,516
Trucks open line 25

18 YR TREASURY
\$100,000 - p/bt & 32m
Mar 98 113-28 1/2
Jun 98 113-21 1/2
Sep 98
Est. notes: 117,643
Tues open int: 388.

US TREASURY 9
10 p/bt-\$100,000 - p/bt
Mar 98 123-00
Jun 98 122-19 1/2
Sep 98
Dec 98 121-24 1/2
Est. notes: 512,000
Tues open int: 750.

LONG GILT (LIFE)
\$50,000 - p/bt & 32m
Mar 98 122-14 1/2
Jun 98 107-20 1/2
Est. notes: 79,999
Prev. open int.: 18

GERMAN GOV. B
DM250,000 - p/bt of 100
Mar 98 105.61
Jun 98 104.95 1/2
Est. notes: 191,300
Prev. open int.: 23

to sales 51,343
to up 3937

2nds of 100 pct		
13	113-77	-09 38
17	113-77	-09
11	113-17	-09
prev. sales 124,230		
up 11,090		
2nds (CBOT)		
3Xs of 150 pct		
22	122-08	-24 70
25	121-30	-25 33
10	121-22	-24
10	157-13	-24
prev. sales 414,826		
off 1,319		
2nds of 100 pct		
19	123-00	Unch. 18
36	107-05	+0-03
prev. sales: 67,728		
22 off 81		
2nds (LIFFE)		
8 pct		
40	105-48	-0-13 22
70	104-89	-0-13
prev. sales: 193,785		
up 3,708		

Sep 90 93.61
Est. sales: 135.4
Prev. cons. lot: 1

2-MONTH EUR	
DM1 million - ph	96.17
Jan 98	96.26
Feb 98	N.T.
Mar 98	96.26
Jun 98	96.13
Sep 98	96.00
Dec 98	95.81
Mar 99	95.66
Jun 99	95.49
Sep 99	95.25
Dec 99	95.23
Est. sales:	179.6
Prev. open int.:	
3-MONTH FIBO	
FFS million - ph	
Jan 90	96.24
Mar 98	96.34
Jun 98	96.11
Sep 98	95.99
Dec 98	95.82
Est. sales:	28.45
Open int.:	255.09
3-MONTH EUR	
ITL 1 million - ph	
Mar 98	94.65
Jun 98	95.36

75 93.51 -0.05
Prev. close: 74.58
75 up 1.615

ARK (LIFE)			
00 pct			
06	96.26	Unch.	1
07	96.30	Unch.	3
11	96.25	+0.03	3
09	94.19	+0.02	3
06	95.90	+0.03	2
77	93.78	+0.03	2
11	95.63	+0.03	2
44	95.47	+0.03	1
31	95.92	+0.02	1
19	95.20	+0.02	2
Prov. sales: 169,294			
553	up	12,985	
LATS (LIFE)			
00 pct			
06	96.34	+0.02	
12	96.24	+0.03	7
77	96.09	+0.03	4
86	95.97	+0.03	2
78	95.81	+0.03	2
9999.			
A (LIFE)			
00 pct			
11	94.61	+0.01	15
12	95.32	+0.01	13

Est. under N.A. 1
Tues open Int 3

P126 180 (LIF)
 \$25 per index pt.
 Mar 98 5372.0
 Est. sales: 11.8
 Prev. open int.:
 CAC 40 (MATIF)
 FF260 per index
 Jan 98 3072.0
 Feb 98 3071.0
 Mar 98 3086.0
 Jun 98 3006.0
 Est. sales: 14.65
 Open int.: 82.19

Commodities
 Moody's
 Reuters
 D.J. Futures
 CRB
The London Times was closed Friday
 Sources: *Market Intelligence Financial Petroleum Exchange*

Sales 107,846
2, up 2,549

0.0	5261.0	-55.0
new sales	8,350	
11 up	167	
4.0	3014.0	-30.0
2.0	3024.0	-30.0
2.0	3033.0	-27.0
5.0	3000.0	-25.0

149.

City Indexes

	Close	Pts
1,424.70	1.4	
1,733.40	1.7	
167.28	1.6	
226.66	2.2	

l market and LIFF
ra holiday.

Associated Press, Lo
Exchange, Int'l
e.

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

100

■

[illegible]

— 100 —

... ..

ASIA/PACIFIC

Asia Woes Batter Fortress Singapore

Safe-Haven Status Is Shaken and Industries Face a Slowdown

SINGAPORE — Just seven months ago investors loved Singapore Technologies Industrial Corp. for its far-flung operations, from China to Indonesia. Now, that much-touted strength has become a liability as currencies plunge and economic growth slows among Singapore's neighbors.

Shares in the builder of industrial parks and beach resorts have fallen 65 percent, to 1.50 Singapore dollars (86 U.S. cents), from their high in June.

"Investors don't want the regional risk," said Kevin Scully, research director at Schroder Securities (Singapore) Pte. "They want a safe haven. They want the old Singapore."

The company's tale underscores the fate of Singapore, a country of 3 million people that, in spite of its famed economic planning and strict financial regulations, is being dragged into the Asian quagmire.

"This isn't a reflection of anything fundamentally wrong in Singapore," said Ray Ferris, a regional economist with BZW Asia Ltd. in Hong Kong. But it is a reminder, he said, that Singapore does not operate in isolation.

The city state's benchmark stock index — although falling better than its neighbors — plummeted 31 percent last year and is down 12 percent this year. The Singapore dollar fell 17 percent against the U.S. dollar last year. Gross domestic product, which grew 7.6 percent in 1997, could slow to about 3 percent this year — its slowest since the mid-1980s, when a slump in crude oil and other commodity prices hurt growth in much of Southeast Asia.

Singapore has prided itself on being the East Asian home of no-nonsense financial regulation; a place where foreign investors could put their money with confidence; a regional hub from where they can

plot expansion into Southeast Asia, until recently among the world's fastest growing regions.

Singapore retains many of those strengths, but many analysts expect that weakness in the currencies of its big Asian trading partners, Indonesia and Malaysia, will increase pressure on Singapore to allow its currency to fall.

ANZ Investment Bank predicts that the Singapore dollar could weaken by 14 percent within the first quarter to about 2.00 to the U.S. dollar.

Still, with other currencies falling faster than the Singapore dollar, the region's woes are beginning to echo in Singapore's industries.

Singapore's health-care sector is a magnet for wealthy patients from other Southeast Asian countries. Indonesians make up about 30 percent of all admissions at some Singapore hospitals. Parkway Holdings Ltd., a Singapore hospital company, saw admissions at two of its hospitals fall by 10 percent year-on-year in September and October.

Some wealthy Indonesians are looking to sell some of the high-priced real estate they have purchased in Singapore. A report in the Straits Times newspaper said several owners of condominiums valued around 5 million dollars had recently put their units on the market.

Shares of Cerebos Pacific Ltd., a Singapore-based maker of health tonics, have fallen by 64 percent in a year, amid concern about the company's exposure to Thailand, one of its largest markets.

Singapore's commercial banks such as United Overseas Bank Ltd. and Overseas Union Bank Ltd. are among Asia's most solvent. But they are feeling the pinch of increased nonperforming loans in Indonesia, Thailand and Malaysia — countries in which the banks expanded to escape their dependence on Singa-

pore's relatively small economy.

The banks' earnings in Malaysia — where three of the four largest Singapore banks have major operations — are likely to slow significantly, said David Lum, head of research at Nava Securities (Singapore) Ltd.

"The real concern is that this whole currency crisis has increased the risk of a regional recession," Mr. Lum said. "And that will hurt everyone, not just the banks."

All this comes amid expectations that a weaker Singapore currency will cause local interest rates to remain above comparable rates in the United States, said BZW's Mr. Ferris. "Higher rates are going to suppress domestic demand for everything from cars to residential real estate and retail goods," he said.

With interbank rates rising, Singapore's banks, including the Development Bank of Singapore Ltd. and Overseas-Chinese Banking Corp., raised prime rates by 100 basis points, or one percent, in December. They are expected to rise another 50 basis points in the first quarter.

Architectural firms in Singapore are poised to cut their total staff by as much as 25 percent this year, because of a shortage of new projects in Singapore and Southeast Asia, the Straits Times reported.

Still, not everyone is pessimistic about the prospects for the Singapore economy. Neil Saker, a senior regional economist with SocGen-Crosby Securities in Singapore, last month cut his forecast for 1998 GDP growth just one percentage point, to 5.5 percent.

The modest pruning was based on his expectation that Singapore's construction and building industry will continue to expand and that exports to the United States of Singapore-made goods will help offset a slowdown in other industries.

Investor's Asia				
Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225
15000	15000	2000	2000	20000
14000	14000	1500	1500	15000
13000	13000	1000	1000	10000
12000	12000	500	500	5000
11000	11000	0	0	0
10000	10000			
9000	9000			
8000	8000			
7000	7000			
6000	6000			
5000	5000			
4000	4000			
3000	3000			
2000	2000			
1000	1000			
0	0			
1997	1997	1997	1997	1997
Exchange	Index	Wednesday Close	Thursday Close	% Change
Hong Kong	Hang Seng	9,538.61	10,135.51	-5.89
Singapore	Straits Times	1,368.06	1,439.12	-4.94
Sydney	All Ordinaries	2,648.90	2,885.30	-1.43
Tokyo	Nikkei 225	15,028.17	14,896.40	+0.88
Kuala Lumpur	Composite	521.00	525.74	-0.90
Bangkok	SET	370.31	370.27	+0.01
Seoul	Composite Index	408.42	406.34	+0.78
Taipei	Stock Market Index	7,835.56	7,966.18	-1.64
Manila	PSE	1,747.34	1,820.60	-4.02
Jakarta	Composite Index	394.24	402.27	-2.00
Wellington	NZSE-40	2,329.31	2,340.55	-0.48
Bombay	Sensitive Index	3,683.31	3,719.62	-0.98

Very briefly:

- Japan will discuss with U.S. officials the possibility of the two countries intervening jointly in currency markets, an international financial source was quoted as saying by the financial daily Nihon Keizai Shimbun.
- Tokyo's benchmark Nikkei-225 index rose 131.8 points, or 0.88 percent, to close at 15,028.20, but the Japanese government's plan to tighten equity trading rules failed to give a big lift to the index, traders said.
- ING Groep NV said it was in talks with the Philippines central bank about arranging a \$500 million floating rate note issue.
- The World Bank said it approved a \$35 million loan that would enable Vietnam to move ahead with plans to end more than two decades of default on its commercial debts and return to the international debt market.
- Perusahaan Otomobil Nasional Bhd., the company that produces Malaysia's national car, known as Proton, said it expected a 30 percent fall in sales and lower profit this year due to the region's economic crisis. For the year ended in March, 1997, Proton posted sales of 6.2 billion ringgit (\$1.42 billion).
- Commerzbank AG, Germany's third-largest publicly traded bank, said it would buy seats on the Japanese stock exchanges in Tokyo and Osaka for Smith Barney for 800 million yen (\$6.1 million).
- Prince al-Waleed bin Talal, a Saudi Arabian billionaire, said he had purchased around 3 percent of the outstanding shares of Singapore's Hotel Properties Ltd. Reuters, Bloomberg.



SELLING HEIRLOOMS — A South Korean man offering his wife's gold rings and other family jewelry to a bank, joining a national attempt to ease the country's financial crisis.

Thailand's Gold Traders Aim to Shore Up Reserves

BANGKOK — Thailand's gold traders have agreed to deposit over 10 tons of gold with the country's central bank to bolster reserves and combat the region's economic crisis, a top government official said Wednesday.

Deputy Finance Minister Pichase Panvichatikul said that 10,000 gold traders had each agreed to deposit one kilogram (2.2 pounds) of gold with the Bank of Thailand. The bank has said it expects the public to match the deposit with an additional 10 tons.

In return, depositors are to receive bonds issued by the Government Savings Bank with a maturity of three to five years and a 5 percent interest rate.

Mr. Pichase said more talks on the project would be held. Details

still had to be worked out with the Bank of Thailand, he said.

The Finance Ministry is to appoint a committee to decide on the details of the bond issue next week. Prime Minister Chuan Leekpai has approved the plan in principle, but it has yet to receive formal Cabinet endorsement.

Under the terms of a \$17.2 billion International Monetary Fund-led economic rescue package, Thailand has to maintain reserves in gold and hard foreign currencies worth at least \$25 billion this year.

Thailand's foreign reserves stood at \$26.9 billion as of Dec. 15. The country depleted its reserves early last year in an unsuccessful attempt to defend its currency, the baht, which was floated in July. (AP, Bridge News)

Cathay Pacific: An Asia Bargain?

HONG KONG — Cathay Pacific Airways Ltd., battered by a tourism slump and currency turmoil across Asia, is worth less than the planes it flies.

As its shares plunged to a 10-year low Wednesday, Cathay's market value slipped to 2.26 billion Hong Kong dollars (\$291.6 million) — the value of about 14 new Boeing 747-400s.

That means the market value of Hong Kong's main carrier — which currently flies 19 Boeing 747-400s in its fleet of 59 aircraft — is less than its break-up value, according to Samuel Lee, an analyst at Indosuez W.I. Carr.

Not surprisingly, Mr. Lee is telling investors it is time to buy the stock.

"Our argument is simply this," Mr. Lee said, "as poor as Cathay's fundamentals may look, do they justify the decline in share price from the pre-handover high of 16.05 dollars, and an under-performance of the Hang Seng Index? We think not."

The airline's shares fell 7.2 percent Wednesday, to 5.15 dollars.

Cathay — which has been plying Hong Kong skies since it launched its service with a single war-surplus DC-3 in 1946 — can trace its current problems back to Hong Kong's July return to Chinese rule.

Tourists, who had been arriving in record numbers in early 1997, rapidly lost interest in China's newest territory after the British flag descended for the last time.

Then currencies across the region began to tumble, making Hong Kong — with its dollar pegged to the U.S.

dollar — ever more expensive for the Asian visitor.

The tourist slump was not helped by newspaper reports that local hotels were overcharging tourists from Japan — traditionally Cathay's highest-profit market — for hotels.

By December — when a deadly new influenza virus was discovered here — Hong Kong and Cathay had already been struck off thousands of travelers' agendas.

Managers at Cathay are frank about the airline's woes.

"The market values the company at the level the director of corporate development." "We are not particularly concerned about the share price, as we are looking at the whole way the business is being run."

As with all other businesses in Hong Kong, Mr. Tyler added, "we are trying to maximize revenue at the same time we are minimizing costs."

Mr. Tyler said the company did not see any signs that conditions would get any better within two years.

"I am positive that Cathay Pacific will weather the storm that is blowing through Asian aviation," he said. "It just isn't going to be a lot of fun for the next two years."

Wendy Wong, an analyst with Merrill Lynch Far East Ltd., said Cathay "is a well managed carrier and the price is very low, but in the short-term, things aren't going to get much better, and there are considerable risks around."

"They will increase capacity at the same time passenger volumes are dropping," she added.

Asia Turmoil Takes Toll on China Stocks

HONG KONG — Shares of Qingling Motors Co., which makes Isuzu pickup trucks in China, have fallen by almost a third this year on the Hong Kong stock exchange.

So did China Shipping Development Co. Ltd., another state-run Chinese company. Ditto Harbin Power Equipment Co. and Guangzhou Pharmaceutical Co.

The turmoil sweeping financial markets in Asia is taking its toll on Chinese companies and their shares.

While the yuan is holding fast, economy and corporate profits may slow along with the rest of Asia.

Such concern was reflected in the shares of Chinese state-run compa-

nies this week. On Wednesday, the index of these stocks — called H shares because they are traded in Hong Kong — fell to a record low for a second day. The index is down 16 percent this year.

For companies like Qingling, whose stock fell 21 percent on Wednesday alone, the rout could not come at a worse time. Recently, China said it would try to step up its plans to sell shares in its companies to revamp their operations. Now, that won't be easy, traders said.

Now, China may well let its currency weaken to ensure that its exports can compete with Asian rivals. China reiterated this week that it would not let the yuan weaken.

APPLE: Computer Maker Sees Profit, but How Long Can It Last?

Continued from Page 11

which made the computer a widely used personal tool, and the man who created the Macintosh, which revolutionized computing by introducing a graphical interface to screens that had long been dominated by text and numbers.

He said he was feeling "better" about his turnaround quest than he did in July, when he returned as the company's temporary chief executive.

After his speech, he said he now saw the turnaround as taking six to nine months, and he hinted that a permanent chief executive would still be found.

Separately, Fred Anderson, Apple's chief financial officer, said the company's management team hoped that Mr. Jobs would decide to stay permanently, though he has stated publicly that he had no desire to take the job.

Mr. Jobs said he was spending most of his time focusing on what he saw as Apple's two most pressing issues: cor-

porate viability and rebuilding its base of software developers.

During his speech, he reaffirmed his pronouncement of last year that the long

'Who knows what's going to happen next quarter. We're going to be burning the midnight oil.'

struggle with Microsoft was over and that the software giant was now a key ally.

And on Tuesday, Microsoft unveiled Macintosh Office 98, a suite of business applications that analysts believe is essential for Apple's survival in the business market.

Mr. Jobs also touted business products from Oracle Corp. and Macromedia Inc. and the newest version of the popular game Riven, which he said would be available in DVD format only

on the Macintosh initially.

In addition, he said, Apple's new relationship with the CompuServe computer retail chain was yielding promising results. The chain has now established special Macintosh sections in 57 of its stores and Mr. Jobs said that Apple's share of sales in those stores had jumped from 3 percent to 14 percent between October and December.

He also stressed the importance of the new version of the company's System 8 operating system, which is scheduled to ship within the next month and will include a number of new features, including the next version of Apple's Quicktime multimedia software.

Mr. Jobs elicited a chorus of boos when he said that in the new operating-system version, Microsoft's Internet Explorer would be the default World Wide Web browser.

Later, after the demonstration of Office 98, he said, "I thought I heard some of those boos turning into yahoos."

JINGLE: In Advertising, It's Drowned Out by the Golden Oldie

Continued from Page 11

new jingles in the 1990s. Where have all the jingles gone? Advertising people usually have two responses to that question: Jingles are old-fashioned and jingles are expensive, often taking years of saturation advertising to implant themselves in people's minds. That is a long-term proposition few advertisers can afford.

"Jingles are yesterday's way of doing business," asserted Mike Hughes, the president and creative director of the Martin Agency, a firm in Richmond, Virginia, that has created campaigns for Wrangler Jeans, Mercedes and Signet Bank. No self-respecting ad agency wants to turn over its ad campaign to a jingle writer, he said, "when it can find a true and lasting voice for the client on its own."

"In the better creative circles," he said, "jingles aren't what the best people turn to."

A jingle," said Eric Koivisto, Microsoft Corp.'s ad director, "is a sales mechanism, and we're not trying to sell.

We're trying to build a relationship with our customers. Consumers today are really savvy. They have been marketed to for eons. If you're trying to build a brand, you don't necessarily want to tell your customers that they are being sold to repeatedly."

In other words, jingles are "hard sell" in a world grown wary of the hard sell.

Which may explain why pop songs have become so popular in advertising: They don't sound like advertising.

People remember the songs in our ads in a very positive way, he said, and "we want them to associate those positive feelings" with the company's products, said Kim Miller, a spokeswoman for Burger King. "That's the goal of any advertising, to be positive and memorable."

Thus, by harnessing a little bit of baby boomer nostalgia, advertisers believe they are transforming their ads into what's almost a bastard form of entertainment — salesmanship as showmanship.

The seminal moment in this regard may have been Nike's use of the Beatles' "Revolution" in 1988. Although some

baby boomers peppered the company with protests over this unprecedented bit of commercialism, there has been little controversy over the licensing of nostalgic songs since then.

Advertisers say it's cheaper to use an instantly identifiable piece of music than to invest months or even years establishing an original jingle in the popular mind. Although ad executives say it can cost more than \$1 million to license a song by superstars such as the Beatles, most old songs can be had for, well, a song — typically a sum in five figures, plus royalties based on the number of times it plays on the air.

"How much do you think it would cost us to create something as familiar as 'Start Me Up'?" asked Mr. Koivisto about the Rolling Stones song that Microsoft used to introduce its Windows 95 software two years ago.

"I don't know what price it would take to create that kind of familiarity," he said. He declined to say what the company paid to license the song, but he laughs derisively at the oft-reported figure of \$12 million.

Legal Services

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 508/433-8387. Fax: 508/433-0153.

See Friday's Intermarket
for Holidays & Travel, Residential Real Estate and Dining Out.
To subscribe contact Sarah Werthel on +44 171 430 0326 or on +44 171 430 0328
A GREAT DEAL HAPPENS AT THE INTERMARKET

Tender Notices

AYS D'APPEL D'OFFRES
La SAED, en concertation avec l'Institut Royal des Travaux Publics (IRTP), representant l'administration royale du Pays-Bas, lance un appel d'offres public No. 97/17 pour des travaux de rehabilitation des pavements bitumeux viabilites. Les candidats doivent soumettre une offre technique et financière. Les offres doivent être déposées avant le 27 janvier 1998 à 10 heures 30 après du chef de la division des approvisionnements et marchés, par toute personne physique ou morale habilitée à signer des documents de l'Etat. Les offres doivent être accompagnées d'un chèque bancaire ou d'un chèque postal de 100 millions de francs belges. Les offres doivent être déposées au siège de la SAED, route de Khor à Saint-Louis. Les offres doivent être accompagnées d'un dossier technique et financier. Les offres doivent être déposées avant le 27 janvier 1998 à 10 heures 30 après du chef de la division des approvisionnements et marchés de la SAED, route de Khor à Saint-Louis. Les offres doivent être accompagnées d'un dossier technique et financier. Les offres doivent être déposées avant le 27 janvier 1998 à 10 heures 30 après du chef de la division des approvisionnements et marchés de la SAED, route de Khor à Saint-Louis. Les offres doivent être accompagnées d'un dossier technique et financier.

Business Opportunities

OFFSHORE BANKS
COMPANIES & TRUSTS
IMMIGRATION/PASSPORTS
Banking/Accounting/Secretarial
Vat Registration/Invoking
Mail-Phone-Fax Services Worldwide
Acton Corporate Trustees
Acton House, Douglas, Isle of Man
Tel: +44 (0) 1624 628991
Fax: +44 (0) 1624 625788
London
Tel: +44 (0) 171 233 1302
Fax: +44 (0) 171 233 1519
E-Mail: acton@enterprise.net
www.acton-bank.com

Legal Services

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 508/433-8387. Fax: 508/433-0153.

TELECOMMUNICATIONS

New Lower International Rates!

To the U.S. from:
Belgium..... 31¢
France..... 27¢
Netherlands..... 23¢
Switzerland..... 27¢
UK..... 17¢

Capital Available

COMMERCIAL/BUSINESS FINANCE
Available for any viable project worldwide. Fax level systems in English to Corporate Address: (+44) 1273 621300

Real Estate for Rent

Paris Area Furnished

AGENCE CHAMPS ELYSEES
Specialists
Furnished apartments, 3 months or more or unfurnished, residential areas
Tel: +33 (0) 1 42 25 32 25
Fax: +33 (0) 1 42 25 32 25

AT HOME IN PARIS

PARIS PROMO
Apartments to rent furnished or not. Sales & Property Management Services. 25 Av. Hoche 75008 Paris. Fax: 01 45 61 00 00
Tel: +33 (0) 1 45 63 25 60

8th, ETOILE - Beautiful living, 1 bedroom, renovated, FFR 300 including charges. Tel: +33 (0) 1 45 27 12 19

Paris Area Unfurnished

NEUILLY - New, luxurious, 75 sqm, in duplex, double living, 1 bedroom, terrace, parking, FFR 1000 including charges. Tel: +33 (0) 1 45 27 12 19

Switzerland

GENEVA, LUXURY FURNISHED apartment. From studio to 4 bedrooms. Tel: +41 22 735 6280 Fax: +41 22 735 2871

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

PLANNING TO RUN A CLASSIFIED AD?

EUROPE
FRANCE: PIRELLE, Tel: 01 47 93 85, Fax: 01 47 93 70, Email: Classified@pirel.com
GERMANY, AUSTRIA & CENTRAL EUROPE: Frankfurt, Tel: 069 9712500, Fax: 069 9712500

ASIA/PACIFIC
HONG KONG: Tel: 2522 2222, Fax: 2522 1188, Email: Classified@hk.com
SINGAPORE: Tel: 223 4470, Fax: 227 4972, Email: Classified@sg.com

Wednesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

[illegible]

Wednesday's 4 P.M. Close
(Continued)

[illegible]

هكذا من اجل

available on Internet: <http://www.ihf.com/IHT/FUN/funds.htm>

Quotations supplied by hand groups to MEdental Clinic: + 33-1 40 28 09 09 e-mail: info@medental.fr

For information on how to list your fund, fax Katy Hourli at (33-1) 41 43 92 12 or E-mail : funds@int.com
To receive free daily quotations for your funds by E-mail : subscribe@e-funds@int.com

The marginal symbols indicate frequency of mutations: sunburst (d), chain (e), wavy (f).

WORLD ROUNDUP

Rafter Recovers

TENNIS Pat Rafter fought back from 1-4 down in the third set Wednesday to beat Carlos Moya, 7-5, 1-6, 7-6 (8-6), as Australia beat Spain by 2-1 in the Hopman Cup.

Aranza Sanchez Vicario had beaten Annabel Ellwood of Australia by 6-2, 6-4 in the opening singles. Rafter and Ellwood then teamed for a 7-5, 6-2 victory in the deciding doubles.

South Africa also came from behind to beat Germany, 2-1. Wayne Ferreira and Amanda Coetzer sealed the victory when they downed Tommy Haas and Anke Huber, 6-2, 6-2, in the doubles.

In Adelaide on Wednesday, Andre Agassi made the most of an overnight rain delay. Agassi trailed Sargis Sargsian, 6-4, 3-2, when play was stopped Tuesday. When the match resumed Agassi won 12 of the next 15 games to take the match, 4-6, 6-3, 6-3.

The top-seeded Jonas Bjorkman lost his second-round match to Jason Stoltenberg, 7-5, 6-1.

Yevgeny Kafelnikov of Russia, ranked No. 5 in the world, withdrew from the Australian Open because of a knee injury. (AP)

Fat Contract for Allen

FOOTBALL Larry Allen, a 326-pound tackle, became the highest paid offensive lineman in National Football League history when he re-signed with the Dallas Cowboys. Terms of the six-year deal were not disclosed on Tuesday, but the Cowboys confirmed the contract made Allen, 26, the highest-paid offensive lineman. Broadcasters reported it was worth \$24 million.

Barry Switzer, the Cowboys' coach, was out at the news conference, which could indicate that he is on his way out after a 6-10 season.

Joe Bugel has been dismissed as head coach of the Oakland Raiders after one year in the job. Bugel led the Raiders to a 4-12 record, their worst in 35 years. (AP)



Larry Allen, who will receive \$24 million from the Cowboys.

Atapattu Hits Century

CRICKET Marvan Atapattu hit his second test century on Wednesday to pilot Sri Lanka to 265 for four wickets at the close of the opening day of the first test against Zimbabwe in Kandy. Atapattu finished the day not out on 129. (Reuters)

Kickboxer Dies in LA

KICKBOXING Redouk Bougara, a French-born kickboxer hit with several punches to the head during a weekend bout, died of brain injuries at Daniel Freeman Hospital in Los Angeles.

Bougara, 23, was married a week ago. He was fighting Malik Borbashev of Russia in drake, a form of Russian martial arts that combines kickboxing and wrestling and allows kicking and punching to the head. They each wore gloves. (AP)

Reflections on the Whacking That Made a Sport Soar

Figure Skating 'Owes' Harding For '94 Attack

By Jere Longman
New York Times Service

PHILADELPHIA — Even now, four years later, Nancy Kerrigan's coach says he gets a sinking feeling every time he even thinks of Detroit.

"I never want to go to that city again," the coach, Evi Scottvold, said. "Isn't that weird? It's certainly not the city's fault."

The Olympic figure skating trials began in Philadelphia on Tuesday, on the fourth anniversary of the attack on Kerrigan by associates of Tonya Harding.

On a snowy Jan. 6, 1994, at the Olympic trials in Cobo Arena in central Detroit, Shane Stant clubbed Kerrigan's right knee with a collapsible baton in the most horrifying, embarrassing and ultimately heroic moment in the history of the sport. The idea that one athlete would seek to inflict harm upon another, especially in a sport thought to be as genteel as figure skating, repulsed and riveted a nation for three months, sending television ratings through the roof during the Winter Olympics and helping to make figure skating the most popular U.S. television sport outside of the National Football League.

In 1994, huge numbers of women were already watching figure skating, where artistry and choreography are as important as athleticism. What Kerrigan and Harding did was to take figure skating from sport to soap opera and launch it like a triple axel into popular culture. The result was a larger male audience and huge television ratings.

"Men had a revelation," said Brian Boitano, the 1988 Olympic champion, referring to the increased interest in the sport generated by Kerrigan and Harding. "Men control networks and sponsorship dollars."

Four years later, teenage stars like Tara Lipinski and Michelle Kwan, along with Olympic champions like Boitano and Kristi Yamaguchi, can now make more than a million dollars a year. Recently, the U.S. Figure Skating Association extended its broadcast contract with ABC, the U.S. network, for \$100 million over the next 10 years.

CBS, which is broadcasting the 1998 Winter Olympics in the United States, is expecting mega-ratings for figure skating next month during the Nagano Games although they are not likely to top the 48.5 that Harding-Kerrigan generated for the ladies' short program on Feb. 23, 1994, the third-highest-rated



Tara Lipinski, the world figure skating champion, practicing a camel spin at the U.S. Championships.

sporting event ever. Each rating point equals one percent of all television households in the United States.

"It's absolutely mind-boggling how figure skating became so popular because of that incident," said Frank Carroll, who coaches Kwan. "As much as we put down Tonya Harding, women's sports, figure skating in particular, owe her a great debt of gratitude. But it was a terrible, regrettable way to go about it."

Harding, who finished eighth at the 1994 Winter Games in Lillehammer, Norway, was subsequently banned for life from Olympic-style skating by the U.S. Figure Skating Association. She pleaded guilty to conspiring to impede the investigation of the assault with her former husband, Jeff Gillooly, and her bodyguard, Shawn Eckhardt. She was assessed \$160,000 in fines, given three years probation and ordered to perform 500 hours of community service.

Harding is 27 now and gives interviews only when she is paid. She has continued to lead a tabloid existence in Portland, Oregon, briefly, managing a professional wrestler, entering into another short-lived marriage, claiming to be stalked by professional golfer, saving a woman's life in a bar by giving her mouth-to-mouth resuscitation and alleging that a man tried to kidnap her from her pickup truck.

Her recent public appearances have been as an actress in a low-budget movie, as a participant with Gillooly in a wedding-night video that became widely distributed, and as an exhibition skater at a minor-league hockey game last February in Reno, Nevada, during which she was booed and greeted with a banner that said: "Tonya Harding Go Home." Usually, skaters are showered with stuffed animals that are thrown onto the ice after a performance. In her case, two collapsible batons were thrown on the ice.

Eckhardt, Gillooly, Stant and Derrick Smith all completed prison sentences in 1995 for their roles in the attack. Gillooly changed his name to Jeff Stone and remarried. At Cobo Arena, the glass door that Stant escaped through was replaced with Plexiglas, but was otherwise left untouched. "It's kind of a shrine," said Patrick Innes, Cobo's operations manager, during the Skate America competition in October.

Kerrigan, 28, recovered to win a silver medal after the clubbing attack, narrowly missing the gold, which was won by Oksana Baiul of the Ukraine. Kerrigan married her agent, Perry Solomon, began a professional skating career and is now the mother of 13-month-old son.

In recent weeks, it was reported that the Fox television network tried to arrange a Harding-Kerrigan rematch. Fox

denied the story, but a person who said he saw the proposal to Harding said that she was to be paid \$150,000 and Kerrigan was to be paid \$200,000 to \$250,000 for a competition and a face-to-face meeting before the deal fell through.

"Nancy would never be for anything like that," Scottvold said.

Dick Button, the two-time Olympic champion who produces professional competitions, floated the idea of having Harding compete professionally, saying in early 1996 that "once someone does their sentence, they should be given a second chance in life." But the idea died when Yamaguchi, the 1992 Olympic champion, said she would not compete against Harding.

Michael Rosenberg, Harding's former agent, said Harding deserved a chance to skate again. "She has lost her livelihood, which is not the American way," he said. "There's so much hypocrisy in figure skating. Our sport is so puritanical."

If only in a joking way, even Juan Antonio Samaranch, president of the International Olympic Committee, seemed to lament Harding's disappearance. No, the 1998 Nagano ratings would not approach 1994, he said in an interview last March at the world figure skating championships. "But," he added in a laughing reference to the knee-whacking, "maybe we could arrange something."

Fallout of Hit Was 'Very Big' In Kwan's Life

New York Times Service

PHILADELPHIA — Four years ago, Michelle Kwan followed Nancy Kerrigan off the ice after a training session at Detroit's Cobo Arena, and happened upon the knee-whacking heard round the world.

"It was scary for her to see violence in sport that close," said Frank Carroll, Kwan's coach.

At the time, she was 13 years old, the world junior champion who in a single infamous moment was thrust into the international spotlight.

With Kerrigan injured, Kwan was named as an alternate to the Olympic team in Lillehammer, Norway. If Kerrigan didn't skate, Kwan would have. Television trucks began popping up like mushrooms outside her training rink in Lake Arrowhead, California.

"It changed my life in a very big way," Kwan said.

Four years later, at 17, Kwan has replaced Kerrigan as an Olympic gold medal favorite. Like Kerrigan, she will have to overcome an injury to participate in the Winter Games next month in Nagano, Japan. Kwan is in pain from a stress fracture in the second toe of her left foot, and as late as Christmas, wondered whether she would compete here.

"I wasn't skating too well. I said: 'Have fun, don't worry. You have to go with the flow and let it happen.'"

Kwan, the 1996 world champion, could have skipped the nationals and taken a bye to the Winter Games. But she would have shown up in Nagano without having competed in three and a half months. "I wanted to earn my spot," she said. "If I can't make it through this, how can I make it through the Olympics?"

Because of the pain in her foot, Kwan has altered her routine for Thursday's short program and Saturday's long program. The jump that bothers her most is the triple loop, considered the easiest of the triple jumps but one that bothers her when she jabs her left toe pick into the ice at the start. Carrill said 13 or 14 of his skaters had suffered stress fractures. He said figure skating boots should be made sturdier for high-impact jumping.

Todd Eldredge continued his recovery from an early-season injury on Tuesday by winning the short program at the U.S. national figure skating championships.

With an expected victory in Thursday's long program, Eldredge, 26, would win his fifth national title.

— Jere Longman

American and Russian Win In Ocean Swim Off Perth

Compiled by Our Staff From Dispatches

PERTH, Australia — Alexi Akatiev and Erica Rose won the opening gold medals at the world swimming championships Wednesday in the five-kilometer open-water swims off Perth's northern beaches.

Akatiev, a Russian, swept past the Australian teenager Ky Hurst in the last 500 meters to win the men's gold medal.

Rose, an American, surged clear of the pack to capture the women's event in 59 minutes 23.5 seconds, 95 seconds ahead of Edith van Dijk of the Netherlands. Peggy Buchse of Germany was third.

The United States also won gold for the team event, calculated on the times of its best three finishers in the two events.

Hurst, 16, went out hard in the men's race in the flat Indian Ocean swell in oppressive temperatures.

After that, he said, there wasn't "enough in my legs coming home."

Akatiev won in 55:18.6. Hurst held on

for silver in 55:24.9, and Luca Baldini of Italy was third in 55:37.4.

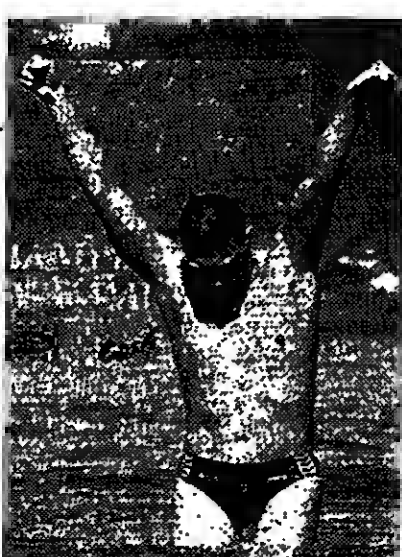
Rose, who is 15 years old and 5 feet, 4 inches (1.63 meters) tall, decided halfway that she had had enough of a rough pack of rivals and would get out of their way.

"In the beginning it was really tough," she said. "There was pressure from a number of swimmers, so in the second half I just decided to take off."

Brown Whitehead of Australia said other swimmers had tried to rip off her cap and goggles and tugged at her swim suit.

"I don't like being beaten around when it is sport," she said, "and sport is not about that."

The German team said it was seeking a court injunction against FINA, swimming's governing body, to force it to return World Championship accreditation to the German team manager, Winfried Leopold, a former East German official who has admitted he knew



Alexi Akatiev emerging from sea after winning the 5-kilometer swim.

swimmers were being given steroids.

The Germans said they were going to court because FINA had said it would reject an appeal. FINA said it would fight the action. (AP, Reuters, AP)

Santa Disappoints French Cyclist

By Samuel Abt
International Herald Tribune

PARIS — As almost everybody but Louis Mattei expected, what he found in his Christmas stocking was a lump of coal.

"No Santa Claus," he admitted gloomily Wednesday. The sponsor who was supposed to step forward with a check for 3 million-plus francs (\$500,000) for his proposed bicycle team remained up the chimney.

Mattei did not stay glum long. "What I should say is no Santa Claus — not yet. Not for the moment. I'm still waiting. It could happen today, tomorrow."

He had just walked in the door at home in a suburb of Paris for lunch. His wife, who took the call, explained the problem as the Matteis see it: "First it was Christmas, and everybody gets so involved in their own affairs then. After that it was winter vacation, no time to think about business. Then the New Year, still not the right time. Now everybody is so busy getting back in the swing, who has time to write a check and send a letter?"

That makes two people who still be-

lieve Mattei can form a low-budget pro bicycle team for the season that starts in February. Among the unbelievers is the French Cycling Federation, which ruled last month that it will not accept his application because he has not guaranteed sufficient funds to pay his riders. Sponsor's check, on eighth French team.

"There's still time," Mattei insisted. "It can happen."

Meanwhile, the season draws night. Most of the seven French teams will journey to training camps next week to prepare for the first of the year's races in the south of France and to Spain.

He foresees an overall budget of \$8 million to 10 million francs, about a third of what a major team costs. Thus far, he says, he has commitments for 5 million francs, mainly from the municipality of St. Denis, to cover 10 riders.

It all depends on his principal sponsor, the uncertain company whose name the unborn team will carry.

"We have until Friday," he admitted. "If my principal sponsor sends the check by then, we will go ahead."

If not? "Ah well," he said, "there's always next year."

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE			
Team	W	L	Pct
New York	21	11	.656
New Jersey	17	14	.548
Boston	16	15	.516
Cleveland	17	14	.550
Washington	14	17	.447
Philadelphia	9	22	.288
CENTRAL DIVISION			
Team	W	L	Pct
Chicago	21	11	.656
Indiana	21	11	.656
Cleveland	21	11	.656
Atlanta	19	13	.591
Charlotte	19	13	.591
Milwaukee	15	17	.469
Detroit	13	19	.406
Toronto	4	29	.121
WESTERN CONFERENCE			
Team	W	L	Pct
San Antonio	21	11	.656
Utah	21	11	.656
Houston	17	13	.563
Vancouver	10	24	.294
Denver	6	27	.182
PACIFIC DIVISION			
Team	W	L	Pct
Seattle	21	11	.656
L.A. Lakers	21	11	.656
Portland	19	13	.591
San Jose	14	20	.413
Golden State	8	26	.232
ATLANTIC DIVISION			
Team	W	L	Pct
Philadelphia	21	11	.656
New York	21	11	.656
New Jersey	17	14	.548
Boston	16	15	.516
Cleveland	17	14	.550
Washington	14	17	.447
Philadelphia	9	22	.288
NORTHWEST DIVISION			
Team	W	L	Pct
Portland	21	11	.656
Seattle	21	11	.656
Vancouver	10	24	.294
Denver	6	27	.182
SOUTHWEST DIVISION			
Team	W	L	Pct
Phoenix	21	11	.656
San Antonio	21	11	.656
Utah	21	11	.656
Houston	17	13	.563
Vancouver	10	24	.294
Denver	6	27	.182

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE			
Team	W	L	Pct
Philadelphia	21	11	.656
New York	21	11	.656
New Jersey	17	14	.548
Boston	16	15	.516
Cleveland	17	14	.550
Washington	14	17	.447
Philadelphia	9	22	.288
CENTRAL DIVISION			
Team	W	L	Pct
Chicago	21	11	.656
Indiana	21	11	.656
Cleveland	21	11	.656
Atlanta	19	13	.591
Charlotte	19	13	.591
Milwaukee	15	17	.469
Detroit	13	19	.406
Toronto	4	29	.121
WESTERN CONFERENCE			
Team	W	L	Pct
San Antonio	21	11	.656
Utah	21	11	.656
Houston	17	13	.563
Vancouver	10	24	.294
Denver	6	27	.182
PACIFIC DIVISION			
Team	W	L	Pct
Seattle	21	11	.656
L.A. Lakers	21	11	.656
Portland	19	13	.591
San Jose	14	20	.413
Golden State	8	26	.232
ATLANTIC DIVISION			
Team	W	L	Pct
Philadelphia	21	11	.656
New York	21	11	.656
New Jersey	17	14	.548
Boston	16	15	.516
Cleveland	17	14	.550
Washington	14	17	.447
Philadelphia	9	22	.288
NORTHWEST DIVISION			
Team	W	L	Pct
Portland	21	11	.656
Seattle	21	11	.656
Vancouver	10	24	.294
Denver	6	27	.182
SOUTHWEST DIVISION			
Team	W	L	Pct
Phoenix	21	11	.656
San Antonio	21	11	.656
Utah	21	11	.656
Houston	17	13	.563
Vancouver	10	24	.294
Denver	6	27	.182

SWIMMING

WORLD CHAMPIONSHIP

5-KM OPEN WATER SWIM			
Team	W	L	Pct
USA	21	11	.656
Russia	21	11	.656
Australia	17	14	.548
France	16	15	.516
Germany	17	14	.550
China	14	17	.447
Japan	9	22	.288
10-KM OPEN WATER SWIM			
Team	W	L	Pct
USA	21	11	.656
Russia	21	11	.656
Australia	17	14	.548
France	16	15	.516
Germany	17	14	.550
China	14	17	.447
Japan	9	22	.288
15-KM OPEN WATER SWIM			
Team	W	L	Pct
USA	21	11	.656
Russia	21	11	.656
Australia	17	14	.548
France	16	15	.516
Germany	17	14	.550
China	14	17	.447
Japan	9	22	.288

Escorts & Guides

BELGRAVIA
ORCHIDS
LONDON - EUROPE
THE FIRST & THE MOST SINCERE
18 - 20 INTER-CONTINENTAL
BEAUTIFUL & ELEGANT
SECRETARIES, AIR HOSTESSES &
MODELS AVAILABLE AS
YOUR COMPANION 24 HOURS
Secret Agency Credit Cards Welcome
TEL: LONDON +44 (0)
0171 589 5237

THE WORLD'S MOST BEAUTIFUL

WORLDWIDE
EUROPE USA MIDDLE EAST FAR EAST
"A CERTAIN STYLE"
++ 44 (0) 7000 74 46 46
info@atlantic-platinum.com
BRAND NEW & EXCLUSIVE PORTFOLIO
CALL FRANCES TODAY FOR VIEWING
TEL: +44 (0) 7000 77 04 33
WORLDWIDE JET-SET

SPORTS

Wildcats Win In Athens — Smith Beats His Old Team

The Associated Press
The result was the same, only this time Toby Smith came away with a victory.
On Tuesday, Smith coached a game in Athens for the first time since leaving Georgia after last season to replace Rick

COLLEGE BASKETBALL

Pinino as coach at Kentucky. His Wildcats beat a Bulldogs team on which his son, G.G. Smith, played, 90-79. Another son, Saul, played 10 minutes for the Wildcats.

During Smith's two seasons at Georgia, he led the Bulldogs to their first-ever consecutive 20-victory seasons, but he was winless in five tries against Kentucky, including a 95-68 drubbing in last season's Southeastern Conference championship game.

On Tuesday, Allen Edwards and Wayne Turner came alive in the second half as the Wildcats beat Georgia for the ninth straight time. Edwards scored all of his 19 points after halftime, and Turner had 14 of his game-high 20 points in the last two quarters.

Kentucky (13-2, 2-0 SEC) led 9-1 as Jeff Sheppard scored five points, and Georgia (8-6, 0-2) could never catch the Wildcats, trailing 35-26 at the half and 66-50 with 4:22 left. G.G. Smith, a junior point guard for Georgia, scored eight points, on 3-of-9 shooting.

Coaching against his son "was tough," said Smith. "I didn't think about it while the game was going on, but at the end it crossed my mind and crossed my heart that he was struggling."

Indiana 60, No. 17 Michigan 62 In Bloomington, Indiana, William Gladness scored six points in a 15-2 second-half streak that carried the Hoosiers to their upset victory over Michigan (12-4, 2-1 Big Ten). Indiana (10-5, 1-2) snapped Michigan's six-game winning streak.

Miami 76, No. 8 Connecticut 67 Lucas Barnes scored 14 points and sparked a second-half sprint as the Hurricanes (12-1, 5-0 Big East) upset Connecticut (13-2, 3-1).



The Nuggets' Tony Battie, left, reaching in for the ball against the Mavericks' Eric Riley in the first quarter.

Mavericks Win a Match of the Meek

The Associated Press

The Dallas Mavericks have a one-game winning streak, and the Denver Nuggets must be evasive.

The Mavericks, who entered the game on Tuesday night between the two teams with a 15-game losing streak, beat the Nuggets, who started the same with a 13-game losing streak, 108-90.

"Anytime you've lost as many as we had, and are playing a team worse than you, it's a must-win game," Dennis Scott said after he and the Mavericks downed the visiting Nuggets.

It was the first victory for the Mavericks since Dec. 4 — the night Don Nelson took over as the team's coach from Jim Cleamons, whom Nelson had fired.

Scott scored 28 points, shooting 5-for-8 from 3-point range and 11-for-15 overall. Michael Finley and Hubert Davis each added 20 points as Dallas surpassed 100 points for only the fifth time this season and kept the Nuggets winless in 17 road games.

Bobby Jackson scored 17 points and

LaPhonso Ellis and Eric Washington added 15 each for the Nuggets, whose record fell to 2-29. With seven more losses, the Nuggets would break the

NBA ROUNDOUP

NBA record of 20 consecutive defeats in one season set by the 1993-94 Mavs.

Bulls 90, Celtics 79 Dennis Rodman grabbed 20 rebounds, and Toni Kukoc scored 9 of his 19 points during a decisive second-half run as Chicago won its 13th straight home game.

Lakers 100, Grizzlies 87 In Vancouver, Shaquille O'Neal had 25 points, 14 rebounds and 5 assists in his first start after missing 20 games because of an abdominal strain.

Cavaliers 100, Rockets 70 Charles Barkley was unable to play on an injured foot, and the visiting Rockets lost by 30 — their most lopsided defeat of the season. Barkley left the game with 3:27 remaining in the second quarter. X-rays on his right foot were negative, but the 11-time All-Star said the injury

could be a stress fracture of the middle toe. "Right now I can't play," Barkley said. "I can't do anything."

SuperSonics 102, Hornets 81 In Seattle, Aaron Williams scored a career-high 20 points, and Gary Payton added 18. The Sonics won their sixth in a row and their 12th in 13 games to improve their NBA best record to 27-6.

Jazz 98, Pacers 95 In Salt Lake City, Greg Ostertag blocked 11 shots, and Karl Malone scored 21 points and hit four free throws in overtime. Allen Iverson banked in a 3-pointer with 2.8 seconds left in regulation time to tie the score at 88, capping a 21-5 run by Philadelphia in the fourth quarter.

Suns 81, Pacers 60 Rex Chapman scored 18 points as Phoenix snapped Indiana's 10-game home winning streak.

Kings 105, Clippers 89 In Sacramento, Corliss Williamson scored 24 points, and Michael Stewart tied a franchise record with nine blocks as the Kings chalked up their first three-game winning streak of the season.

Don't Take Jordan For Granted, Fans

His Latest Record Is Truly Awe-Inspiring

By Thomas Boswell
Washington Post Service

FIVE DAYS after Christmas, Michael Jordan gave every sports fan a present. Apparently, we forgot to open it, much less say, "Thanks."

That night in Minnesota, Jordan scored in double figures for the 788th straight game, breaking Kareem Abdul-Jabbar's mark. Jordan played down the streak, now at 791. He can't say, "See how great I am."

But we should. We all swore we would never take Jordan for granted again after his Airness returned to the NBA in 1995, following his two-summer retirement to the baseball minor leagues. We vowed we would cherish every season, knowing it could be his last.

But we've relapsed.
This really could be Jordan's last season. That's what he says, anyway. "I refuse to let all of this stuff ruin my last year," said Jordan last month, referring to the Bulls' turmoil.

Because of his ubiquitous advertisements, Jordan seems to be a presence everywhere in our lives except the one place where he actually has lasting value — on the basketball court.

As records go, Jordan's latest is one of the true beauties. Since 1983, he has had incredibly few bad games. He hasn't come out cold and stayed cold. Or felt sick and played like it.

Not once has some lucky defender put the handcuffs on him and held him to fewer than 10 points.

You want to interrupt. You want to say, "It's not hard to score 10 points in the NBA. What's the big deal?"

Yeah? What do these players have in common: Tim Hardaway, Alonzo Mourning, Clyde Drexler, Allen Iverson, Juwan Howard, Isaiah Rider, Christian Laettner, Jeff Hornacek, Damon Stoudamire, Danny Manning, Wesley Person, Rick Smith and Rasheed Wallace?

They're all first or second on their teams in scoring, so they get plenty of shots. They're supposed to score. Yet, in the last month, each has been held to single digits. Jordan hasn't since 1985. These guys can't last four weeks.

So how remarkable is Jordan's latest record? An easy way to gauge the difficulty of a landmark is to see how many others have come close to it. For example, the marks of Joe DiMaggio's 56-game hitting streak and Lou Gehrig's consecutive games played grew in stature with the years because nobody had ever, or might ever, come close to them.

How many players have come within 250 games of Jordan's and Jabbar's mark? Nobody. Moses Malone is in third place at 526 games — more than three full seasons behind. Only four players got halfway to the Jordan-Jabbar level: Moses Malone, Karl Malone, Oscar Robertson and George Gervin.

Here's my favorite measure: On any sports list, look at the distance between 10th place and the best ever. The wider the gap, the more remarkable the record. Jordan is 499 games — more than six seasons — ahead of the 10th-place man on the double-digit streak list.

"The record Jordan just broke is amazing," said Seymour Siwoff, head of the Elias Sports Bureau and, perhaps, the senior guru among U.S. sports statisticians. "But these days, Jordan is just taken for granted. There's no acclaim for anything he does anymore."

He has exceeded the dimensions of

his game. In team sports, the only people you can compare him to are Babe Ruth and Wayne Gretzky," Siwoff added.

In recent days, while young stars post their single-digit games, Jordan has been ringing up 39-, 41- and 47-point nights.

He is soaring to his 10th scoring title, averaging about 29 points a game, even without Scottie Pippen in the lineup.

For Air, it all looks so easy, even with his 35th birthday next month. But it isn't. Last month, he had a frigid night.

VANTAGE POINT

shot 4 for 16, but still scored 11 points. Perhaps, subconsciously, his pride won't let him put one line in the book — not even one — that really stinks.

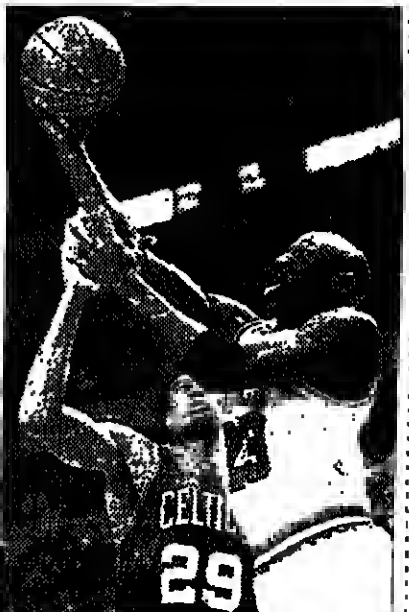
This week, the Chicago papers are, once again, full of speculation about whether Jordan will retire. Jordan says he'll only play again under three conditions — if he's a Bull, if Phil Jackson is his coach and if his Chicago team is a contender. Right now, Jackson and management are on different planets. Few dream Jackson will return. Pippen has demanded a trade. The morning line has Jordan retiring.

That could change. The usual well-adjusted '90s superduperstar retires about three times. Jordan's only used up one. He hasn't even tried to qualify for the PGA Tour or joined the Marines yet.

But what if No. 23 really has sufficient pride in performance — and pique at the Bulls bosses — to hang it up for good this spring?

How many more truly memorable records lie in front of him? Why let one slip past? Run your finger down the box scores in the paper. There they are — the morals — against whom the occasional Ruth, Gretzky or Jordan is measured.

Where does 800-plus consecutive games of scoring in double digits stand among our records? It stumps us at first glance because there's no apple or orange quite like it. It's not about endurance, toughness, skill or luck — though it's about them all. It's about pride in performance, facing your own standards, every night. The longer we think about this neglected record, the more we realize how unique and distinctive it is. Like the man who set it.



Michael Jordan driving past Peris Ellison of the Boston Celtics.

Red Wings Change Goalies and Get a Shutout Victory

The Associated Press

Kevin Hodson, getting a rare opportunity to start in place of Chris Osgood in the Detroit goal, earned his third career shutout as the Red Wings beat the Phoenix Coyotes, 2-0.

"It's exciting, it's like a hat trick for a player," Hodson said Tuesday night after his

NHL ROUNDOUP

first shutout since Dec. 4, 1996. "It's a great thing individually for a goalie, but it takes a team effort."

Hodson stopped 28 shots. In his last start, he lost, 5-1, on Dec. 16 at San Jose.

The Red Wings had lost two in a row. They stopped the Coyotes' five-game winning streak.

Rangers 4, Hurricanes 2 In New York, the Rangers also got a strong performance from a reserve goalie. Dan Cloutier, substituting for the regular goalie, Mike Richter, who his first National Hockey League start as the Rangers beat Carolina.

Cloutier, who was called up from the minors last week and made his NHL debut Saturday at

Washington, stopped 26 shots by the Hurricanes. Brian Leetch scored two goals, and Wayne Gretzky had two assists for New York.

Leetch's goal at 7:41 of the first period marked only the fourth time in 23 home games that New York has scored first. The Rangers are just 8-9-6 at Madison Square Garden.

Flames 3, Avalanche 1 Calgary stopped Colorado's 10-game unbeaten streak, rallying for three goals in the third period for a rare road victory.

Calgary has the fewest road victories in the Western Conference (3), but won the season series from the Avalanche (3-1-1).

Penguins 4, Islanders 2 Pittsburgh sent the host Islanders to their eighth straight loss, their worst skid since an 11-game losing streak in March 1996.

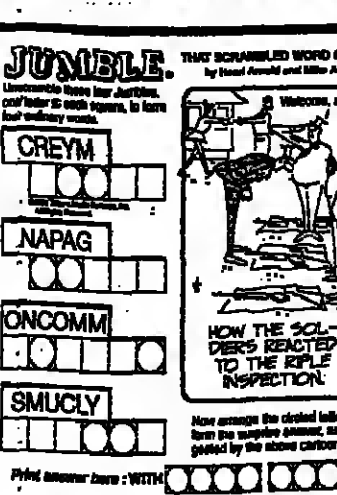
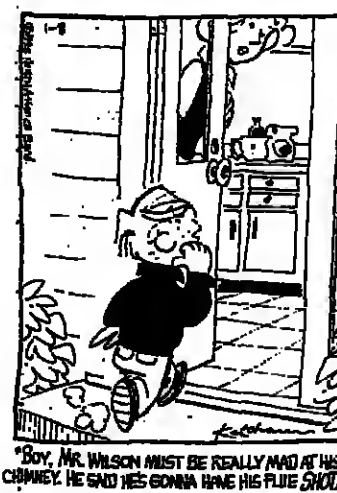
Capitals 5, Maple Leafs 3 In Washington, Adam Oates matched a team record with four assists in one period as Washington took a 4-0 lead against Toronto in the first 14 minutes.

Blues 5, Sharks 1 Craig Conroy scored 16 seconds into the game, and St. Louis never trailed at San Jose.



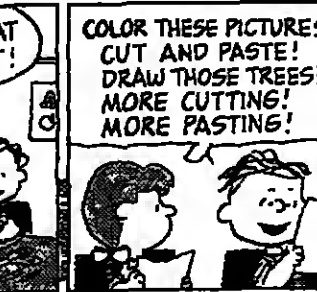
Bryan Berard of the Islanders being upended by a check.

DENNIS THE MENACE



ENTERTAINMENT
Appears every Wednesday in
The International Herald Tribune
Sarah Werbach
in our London office:
Tel: +44 1 71 420 0326
Fax: +44 1 71 420 0338
or your nearest IHT office
or representative.

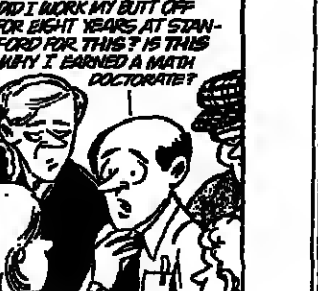
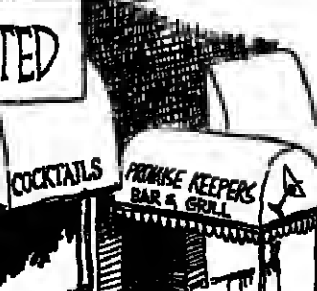
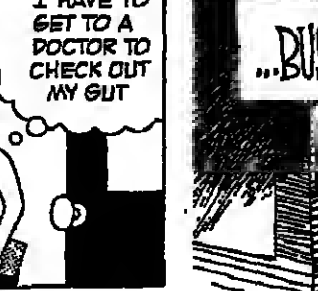
PEANUTS



GARFIELD



BEEETLE BAILY



BLONDIE



ART BUCHWALD

A New Kind of Villain

WASHINGTON — I went to see the latest James Bond movie with my grandson, Adam. This is what grandfathers do these days instead of going fishing or sky-diving with their families.

I have seen James Bond up against the worst kind of villains, including Nazis, ethnic groups from the Far East and corrupt KGB devils who wanted to nuke the United States. I suspect that I kept going to see the Bond movies because eventually I expected 007 to triumph over evil as well as make out with the woman of his dreams.



Buchwald

With the end of the Cold War, and political correctness triumphing over good scripting, as I paid my \$7.50 I wondered whom Bond would destroy this time.

To my horror, in "Tomorrow Never Dies," I discovered that the archvillain is a media magnate. He is so despicable that he's willing to kill his own wife and finance a plot to start

a war between Britain and China just to have a scoop for his papers. Don't even think Rupert Murdoch.

I was so ashamed that Bond was up against a madman from my own profession that I buried my face in my hands every time he appeared on the screen. I stared with disbelief as he tried to destroy the good guys just so he could control all the newstand sales in China.

When we left the theater my grandson began to ask questions.

"Why would a newspaper publisher want to kill James Bond?"

"Adam, don't think that all media magnates spend their time trying to kill people or sink British warships. Most of the publishers I know have nice homes in Palm Beach and are not even armed with laser guns and automatic rifles."

"Won't the movie give the newspaper business a bad name?"

"No worse than it has now. My theory is that when they made the picture they wanted an adversary for Bond that the audience would truly hate. Today's moviegoers are no longer intimidated by South American dictators or Russian

Carnegie Hall Plans Gershwin Gala

NEW YORK — Carnegie Hall will open its 1998-1999 season with a gala Gershwin concert on Sept. 23, with the San Francisco Symphony performing under its music director, Michael Tilson Thomas, the hall's executive and artistic director, Judith Aron, said.

Al Jarreau and Audra McDonald will be the guest soloists on the program.

Ode to the Abstract: When Designer Met Dance

By Suzy Menkes
International Herald Tribune

PARIS — Two muscled legs struggle to escape the constricting skirt. Arms flail above a chest puffed out with a lopsided balloon of padding. Then, suddenly, the male dancer flows across the stage, his battle with the vibrantly checked costume won.

By the time Merce Cunningham and his modern dance company took a standing ovation at the Paris Opera on Tuesday, those weird goiter-like protuberances had become part of the performance, as the costumes created forceful, sculpted shapes against the surgical white set.



Designer Rei Kawakubo.

Such grace flowering from awkwardness is a neat metaphor for the work of Rei Kawakubo, whose costumes were on stage in "Scenario." The Japanese designer is celebrating 25 years in fashion since she founded her Comme des Garçons label in 1973, but she has remained consistently, even stubbornly, avant-garde.

Making costumes that constrict the dancers' movement is as typical of her style as the asymmetric or randomly draped clothes that have kept her fashion shows at the creative cutting edge.

"My starting point was that I don't know anything about dance and I wanted to turn that into a positive thing," said Kawakubo. "When the natural movements of dance are repelled and refused, you get new forms. If you are too free, you don't find the creativity that comes from a self-given framework."

Kawakubo was speaking at her Paris headquarters, mostly in Japanese through her British-born husband, Adrian Joffe, but with a smattering of English, as when she said "details, the details," after the performance, to express frustration over tiny glitches to her perfectionism.

Cunningham himself, who has a long history of working with artists from Jasper Johns through Robert Rauschenberg, Frank Stella and Andy Warhol, praised the latest collaboration with Kawakubo.

"It was very interesting when she talked about space — I wasn't expecting that," he said.

said. He was referring to the designer's explorations of space and volume through the distorted body shapes — a concept developed from a controversial fashion show, in which the lumps were interpreted as symbols of fecundity or even cancerous tumors.

Other disputed collections have included an apparent anti-war statement, when army uniforms were deconstructed and remade; clothes misinterpreted as a reference to Auschwitz uniforms, and, in the early 1980s, knitwear with deliberately gaping holes that were dubbed "Swiss cheese" sweaters.

The intellectual, abstract approach, coupled with Kawakubo's often baffling, inscrutability, have given her a cult following. A much copied innovation was to have artistic friends ambulating in her new designs rather than models.

Since 1981, when she first showed in Paris, Kawakubo has worked with other creative artists, who exhibit in her Tokyo flagship store, or create images for her publications and collaborations with Cindy Sherman seemed to reinforce the feminism inherent in Kawakubo's vision, which is always about inner beauty rather than sexual projection.

Showcasing the extraordinary Japanese floral art of Yukio Nakagawa was an example of Kawakubo's approach: an artist whose work reflected her own budding interest in floral patterns and colors, after a decade using "three shades of black."

Another symbolic link between art and fashion will be moving the New York store from SoHo to the gallery area in Chelsea.

Yet when you ask Kawakubo if she is an artist, she rejects the tag.

"No!" she said. "Fashion is not art. You sell art to one person. Fashion comes in a series and it is a more social phenomenon. It is also something more personal and individual, because you express your personality. It is an active participation; art is passive."

In her creative process, Kawakubo is an artist, for she works from a concept that she concretizes by spinning, weaving and dyeing fabrics, then working with pattern centers on shapes that are often "extremely abstract."



Merce Cunningham's dancers in "lump-and-bump" costumes by Kawakubo.

The snowy mille-feuille layers of the spring collection lie on the Paris worktables. Inspired by the idea of a thistle-down lightness, the studio created superfine cotton wadding that gave clothes the airy prettiness of paper that gave the body 20 layers for the show, but only 10 for the stores.

This is a rare example of Kawakubo modifying her vision. The "lumps-and-bumps" collection arrived in store like that: stretch dresses complete with the cushion paddings of spare tires and dowager's bumps. She is not, she admits, a "commercial" designer, and the balance between integrity and running a business is always an anxiety.

The hidden agenda is the exceptional strength of character Kawakubo has shown, both in sticking to her uncompromising path of "difficult" clothes and of challenging the conformity of Japanese society. She cannot pinpoint exactly the moment, as a teenager, when she felt the need to rebel. She went on to study literature at Tokyo's Keio University and came to fashion via textile advertising.

What oext, oow that, at 55, she is at the

pinnacle of her career? Another vigorous shake of the head. "I don't feel that 25 years is any kind of landmark — what I have to do is still ahead of me," she said. "I may have changed some people's perceptions so that they express themselves in a freer way, but especially in Japan, although I am respected on a personal level, I don't seem to have made much headway."

Yet Kawakubo's designs — especially tucking and asymmetric cutting — have had a noticeable effect on other designers' current collections, as though fashion were finally catching up. Her concept that there is beauty in the unfinished and the random, and that the spirit of clothing can flow from texture and fabric rather than cut and seam, is the accepted fashion currency of a younger generation.

But Kawakubo is modest. And never more so than when she is asked if she would be interested in working again with Cunningham, after her Quasimodo-like costumes received such thunderous applause.

"I should think he would want to find somebody better," she said.

SCENES FROM A LIFE

An 'Amiable Loser' Who Took His Act to Washington

By Lloyd Grove
Washington Post Service

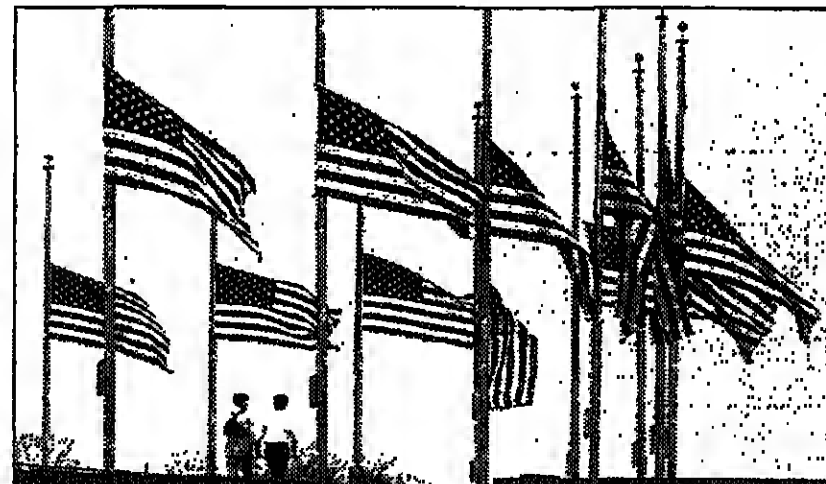
WASHINGTON — As a television entertainer in the early 1970s, Sonny Bono perfected the persona of an amiable loser. Alongside the tall and stunning Cher, who regularly zapped him with put-downs and barbs, he looked like a grinning simpleton with mouse-brown hair — short, ineffectual and slow on the uptake. It was a pose that begged people to laugh at him. It was a pose that made him rich and famous.

As a U.S. representative in the 1990s, he took the act to Washington and was just as successful. Using the skills that had served him well in show business, he tricked the powers that be into underestimating him. As soon as they did, he sprang his surprise: Sonny Bono was one smart cookie.

Ofted, Bono's graceful bumbling — what seemed at first like a patchwork of random thoughts — contained an observation of piquant clarity, often making Washington's power elite laugh at itself.

Last summer, he defused a tense meeting of House Republicans after the failed plot against Newt Gingrich, speaker of the House, by telling a seemingly irrelevant story about the quick decline of his show-biz career. He recalled finding himself shooting an episode of television's "Fantasy Island." He flubbed a line and was hectoring by his enraged co-star, Hervé Villechaise.

"Here I was being yelled at by a midge," he chuckled. "It was God's way of telling me to move on, to put this behind me" — his advice for his fellow Republicans as well.



Flags at the Washington Monument flying at half-staff for Sonny Bono.

"He never tried to pretend he was some skilled orator or some skilled politician," Representative Mark Foley, Republican of Florida, recalled the day after Bono, 62, was killed in a skiing accident.

[There will be a public vigil Thursday in California, followed by a funeral the next day. Reuters reported from Washington. The four-hour vigil will begin Thursday at 4 P.M. local time at St. Theresa's Roman Catholic Church in Palm Springs. The funeral will be at the church on Friday at 11 A.M., with interment to follow. A spokesman said the Mass would be open to the public.]

"He never tried to portray himself as being adept at the art of deal-making in the grand Washington tradition," Foley said. "He always told me, 'Hey, this is a gig, man. The public, your audience, wants you to do the gig they're used to seeing.'"

"Just by virtue of having been Cher's sidekick,

Sonny came to Washington and there was an aura about him," said Representative David Dreier, Republican of California. "Obviously, everyone knew Sonny Bono, and most everyone had a preconceived notion of Sonny. 'Oh no, people thought, he won't do anything seriously.' And yet he turned out to be one of the most conscientious, first-rate people here."

Many of Bono's legislative initiatives in his three years in the House dealt with parochial interests — measures to tighten copyright protections for writers and composers, require labeling of imported fruits and vegetables, and, after a federal judge struck down California's anti-illegal-immigrant Proposition 187, make it more difficult for courts to overturn popular referendums. He also backed such conservative causes as banning flag burning and same-sex marriages, and supporting prayer in schools.

Bono's uncanny sense of timing — sharpened by decades as an entertainer — established his credentials as a Washington player, and swept aside most skeptics, when he was a newly minted freshman in January 1995. Bono's timing was the engine behind his legendary performance at the Washington Press Club Foundation dinner, a monologue skewering the power elite — most of whom happened to be sitting in the audience and loving every insult.

Representative Dennis Kucinich of Ohio, one of many Democrats Bono befriended, remembered a man "who was totally unpretentious and down to earth. When I met him I was immediately impressed by his humility. He had the common touch and the gift of humanity. . . . There will never be another like him."

A Dreamer Who Grabbed the Ring in the Recording Industry

By Richard Harrington
Washington Post Service

WASHINGTON — Sonny Bono was a music-industry rug rat who dreamed of making a living in the business. Instead, he made a celebrated career for himself and his former singing partner and wife, Cher. From a first song that celebrated cookies to a handful of likable pop-rock chestnuts like "Needles and Pins," "I Got You Babe" and "The Beat Goes On," Bono briefly grabbed the golden ring, as have dozens of others before and after.

In fact, Bono had already spent a decade behind the scenes before "I Got You Babe" transformed him and Cher from nonentities into America's musical sweethearts. In the summer of 1965, no one had even heard of Sonny and Cher. By September they had five singles on the charts simultaneously, as a duo or as solo artists. "I Got You Babe," "All I Really Want to Do," "Just You," "Laugh at Me" and "Baby Don't Go."

It was "I Got You Babe" that captured the fans. The plain-spoken dialogue about love and generational identity was set against a lush musical texture that Bono had learned from the legendary producer Phil Spector.

Spector loomed large in the story of Sonny and Cher. Bono had gone to work for the producer in the early '60s, working as Spector's general assistant, studio booker and session gofer. In 1963, Bono met 16-year-old Cherilyn Sarkisian LaPiere at a coffee

shop and she did backup singing on some of Spector's biggest hits, including the Crystals' "Da Doo Ron Ron," the Ronettes' "Be My Baby" and the Righteous Brothers' "You've Lost That Lovin' Feeling."

Meanwhile, Sonny and Cher had started singing together after she got nervous in the studio and asked him to join her. In 1964, Bono borrowed \$135 to produce his own session on an original song titled "Baby Don't Go." A minor hit in Southern California, it caught the ear of Atlantic's Ahmet Ertegun, who promptly signed Sonny and Cher to his Atco subsidiary. The first release was "I Got You Babe."

Bono, who dropped out of high school to work a variety of jobs, was drawn to the music business early on. While working as a stock boy in a grocery, he wrote his first song, "Koko Jo," inspired by a brand of cookies; years later, the Righteous Brothers would have a minor hit with it. Soon after, Bono landed a job as a record packer at Specialty Records, the Los Angeles R&B label that was home to Little Richard, Fats Domino and Sam Cooke.

At Specialty, Bono worked his way up the ladder as a writer, arranger and producer, most notably with Don and



Sonny and Cher with Chastity in the early '70s.

Dewey, and soul sensation Larry Williams, for whom he wrote straightforward R&B tracks like "High School Daze," "You Bug Me Baby" (the flip side of "Bony Moronie") and "She Said Yeah" (later covered by the Rolling Stones on "December's Children"). Unfortunately, Spe-

cially folded in 1960 and Bono's own efforts at recording were stillborn. In 1962, he co-wrote "Needles and Pins" for British pop singer Jackie DeShannon, but it didn't become a hit until 1964, when the Searchers covered it.

Success didn't materialize until his union with Cher, and neither did a reasonable sartorial sensibility. While Sonny's 1965 solo hit "Laugh at Me" recounted his being refused admittance at a fashionable restaurant because of his outlandish dress, by 1966 Sonny and Cher had their own clothing line on sale.

By 1970, as their recording career declined, Sonny and Cher had become regulars on the Vegas cabaret circuit with an act mixing music and comedy. From 1971 to 1974, they took that formula to CBS television, starring in the popular "Sonny and Cher Comedy Hour," which also featured their daughter, Chastity.

While Cher went on to a successful career as both singer and actress, Bono largely retired from the music scene in the late '70s. But in 1991 he was the subject of a tribute album, "Bono-graphy: Sonny Gets His Share," in which a half-dozen bands paid belated homage to his songwriting skills.

PEOPLE

EARLY radio recordings by the Rolling Stones, hidden away for nearly 35 years, could hit the airwaves again if the BBC and the group can reach agreement. The BBC, which has the 1963-65 recordings in its archives, owns the recordings and the group owns the performances. "It is astonishing that no one has thought to release this before. It is outstanding — raw, unsophisticated and compelling," John Willan, head of music at BBC Worldwide, was quoted as saying in The Independent newspaper. . . . Mick Jagger has laryngitis, and the Stones were forced to cancel a concert in Syracuse, New York, on short notice. About 27,000 of the 39,000 seats were sold for the concert, part of the group's "Bridges to Babylon" tour. Stadium officials hoped to reschedule the show for the spring, and fans were urged to keep their tickets, but those who want refunds can get them beginning Friday.

About 40,000 tickets to visit the grave of Diana, Princess of Wales, were sold within 48 hours of going on sale in London. That's about a quarter of all the tickets up for sale, despite callers having to wait several hours to get through on the ticket hotline. Only 2,500 people a day will be able to see the grave at the Spencer family seat at Althorp, north of London, which will be open in July and August.

Mykelti Williamson, who played Tom Hanks's slow-talking, shrimp-loving army buddy in "Forrest Gump," was arrested on suspicion of stalking his ex-wife and stabbing her friend. Williamson spent the night in jail in Los Angeles and was released on \$180,000 bail. Cheryl Chisholm, his ex-wife, told police he had been stalking her. Williamson was also in "Waiting to Exhale," "Heat" and "Con Air."

Jimmy Buffett says he's got dibs on Margaritaville — not the fictional tropical paradise of his song, but the restaurant name. Emma and Neil Matthews, who run a restaurant in Kingman, Arizona, renamed their eatery Margaritaville more than 10 years ago, their daughter, Theresa Gump, said. But the couple got a letter last month from the singer-songwriter asking them to stop using the name, which is the title of Buffett's 1970s hit song and is owned as a trademark by Buffett. He owns Margaritaville restaurants in Key West, Florida, and New Orleans.

James Rubin, the U.S. State Department spokesman, is engaged to be married to the CNN correspondent Christiane Amanpour.

Tony Winner Will Aid 'Capeman'

By Rick Lyman
New York Times Service

NEW YORK — Producers of the new Paul Simon musical, "The Capeman," said that the director Jerry Zaks had been hired to help get the show into shape for its Jan. 29 opening.

Zaks will be working in "an unofficial capacity," said Dan Klores, one of the producers of the musical, based on the true story of Salvador Agron, a teenager from Puerto Rico convicted in the 1959 murder of two other teenagers. Klores said that Zaks would receive "some remuneration" for his services, though his name would not appear in the musical's credits.

The show's director and choreographer, Mark Morris, will remain in charge of the production and will attend all of Zaks's sessions with the cast in coming weeks, Klores said.

The show, which has been in previews



HEADS OFF — A worker dismantling the Statue of Liberty replica in Paris on Wednesday. It will be reassembled in Tokyo for "The Year of France."

The wedding is planned for some time this summer. Asked about the engagement, Rubin told the diplomatic press corps: "Well, I have no announcements for you today. But I'll accept wishes of congratulation."

The singer Olivia Newton-John, her husband, Matt Lattanzi, and two daughters have sold their five-level Malibu, California, house for \$7 million. The family is moving back to Australia for a while, where Newton-John will host a television show.

The first wife of Hergé, the creator of the "Tintin" comics, has left part of her art collection to Belgium's fine arts authority. The collection of Germaine Kleckens, who died at 89 in 1995, included lithographs by Max Ernst and Enrico Baj and portraits of herself, one by Hergé. Hergé, whose real name was Georges Remi, died at 77 in 1983.

Lionel Hampton's 90th birthday is just over the horizon, but the durable jazz vibraphonist, pianist and drummer is off and running on a tour that is to take him and his orchestra to Switzerland, Austria and Germany through midmonth. A highlight of the tour comes on Monday in Vienna, where Hampton will receive the Austrian Cross of Honor for Science and Art, First Class.

Producers of the new Paul Simon musical, "The Capeman," said that the director Jerry Zaks had been hired to help get the show into shape for its Jan. 29 opening.

Zaks will be working in "an unofficial capacity," said Dan Klores, one of the producers of the musical, based on the true story of Salvador Agron, a teenager from Puerto Rico convicted in the 1959 murder of two other teenagers. Klores said that Zaks would receive "some remuneration" for his services, though his name would not appear in the musical's credits.

The show's director and choreographer, Mark Morris, will remain in charge of the production and will attend all of Zaks's sessions with the cast in coming weeks, Klores said.

The show, which has been in previews

January 8, 1998